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MEASURES FOR STRENGTHENING COORDINATION AND HARMONIZATION OF ACTIVITIES AMONG EXISTING ECONOMIC GROUPINGS

INTRODUCTION

1. The coordination and harmonization of the activities of existing regional economic groupings for the gradual establishment of an African Common Market was called for by the Final Act of Lagos (FAL), an integral part of Lagos Plan of Action (LPA), as a first step towards the creation of the African Economic Community. Now, that a Treaty establishing the African Economic Community has been signed at Abuja, Nigeria in June 1990, it would appear that a major step has been taken, at last, towards the realization of the final objective envisaged in LPA which is to reverse Africa's economic decline through collective self-reliance as opposed to benign dependency that has contributed immensely to Africa's underdevelopment. The replacement of dependency with a self-sustaining development strategy requires a cooperative effort on the part of African nations. This cooperative action is in the form of economic cooperation and integration of economic and social activities. FAL mandated the establishment of subregional groupings to cover the four main subregions of Africa, which will be the focal points of economic integration activities. Such cooperation, it is envisaged, will propel development which will materialize through the gradual elimination of the differences which still exist among the subregions in terms of economic integration level and through the promotion of joint activities among these economic groupings.

A. Plotting a new path to economic integration

2. At Abuja, Nigeria, in June 1991, Africa responded to the challenges posed by the emerging world of trading blocs by the signing of the Treaty of Pan-African Economic Community (PAEC). It was in fulfilment of the LPA and the long-cherished goal of unifying the continents' fragmented, vulnerable and marginalized economies into a single, more powerful economic bloc capable of translating Africa's yearn for sustainable and self-reliant development into reality. With the challenges posed by the North American Free Trade Area, South- East Asia Free Trade Area and the Single European Market by 1992, the imperative for the Community's formation became irresistible.

3. For Africa, the Abuja Treaty poses a new challenge to the concept of regional integration and establishes special relationship with the existing subregional (now to be called, regional) economic groupings which would now act as executing instruments of Community programmes at the regional levels.

4. The Pan-African Treaty is remarkably significant and to a large extent different from the treaties establishing the existing regional economic groupings in terms of institutional and decision-making processes as well as approach and orientation. It is broad in scope in the number of articles, chapters and it incorporates all the major development sectors highlighted in the LPA and many other strictly non-economic aspects of cooperation. The Treaty reflects, most importantly, a holistic view of the concept of development which seeks to link factors of production with the non-economic factors - political, social, cultural, environmental and institutional. Moreover, the Abuja Treaty reflects the essential elements of a democratic framework or the importance of popular democracy in the development process as ingredients of sustainable development.

5. According to article 4 of the Pan-African Economic Community Treaty, the major objectives are:

(a) To promote economic, social and cultural development and integration of African economies in order to increase economic self-reliance and promote an endogenous and self-sustained development;

(b) To establish, on a continental scale, a framework for the development, mobilization and utilization of the human and material resources of Africa in order to achieve a self-reliant development;

(c) To promote cooperation in all fields of human endeavour in order to raise the standard of living of African peoples and maintain and enhance economic stability, foster close and peaceful relations among member States and contribute to the progress, development and the economic integration of the continent; and

(d) To coordinate and harmonize policies among existing and future economic communities in order to foster the gradual establishment of the Community.

6. These objectives eloquently enunciate the desire that the founding fathers of African independence have always had and which the LPA has reiterated. Worthy of note is the emphasis on integration of African economies; mobilization and utilization of human and material resources of Africa for this purpose; the need for peaceful relations between States which should enhance more meaningful interactions between them; and the imperative for the coordination and harmonization of socio-economic policies among existing and future economic communities in order to foster the gradual establishment of the Community.

7. The Treaty provides for the establishment of a Pan-African Parliament to ensure the involvement of the people in the development and integration process of the continent, i.e., a human-centred development which reflects the current preoccupation about the role of the people and the democratic imperative in the process of integration. The need for a Pan-African Parliament has been long felt and now fills a vacuum in the system of political decision-making for the implementation of economic integration projects. It provides the much-needed guarantee that measures taken by the Community authorities are in the interest of the PAEC and those of the member States. It also creates a forum through which interest groups can bridge "elite-mass" gap.

8. The decision-making process will make it less likely for delays and disinterestedness to mar the implementation of policies and programmes. Decisions shall be adopted by consensus or, alternatively, by a two-thirds majority of member States. The decisions of the Assembly and regulations of the Council are to become binding on both member States and subordinate organs of the Community, and these will automatically enter into force 30 days after the date of their signature by the Chairman of the Assembly or Council. In other words, a supra-national status has been accorded to the legislative organs of the Community, which are empowered to meet, on behalf of all, the major economic and political challenges which African States would otherwise be unable to tackle individually.

B. Production-focused approach of PAEC to integration

9. The approach pursued by most institutions does not seem to have been adapted to the African situation. Trade liberalization appears to be a popular approach to integration in Africa bought wholesale from the EEC example. But then EEC model cannot be applied to Africa because of different socio-economic factors which exist in Africa. This is because when the Treaty of Rome was signed Europeans had attained a very high production level and there even existed unused capacities which required only to be harnessed to meet the needs of a wider market. Furthermore, a dense network of good quality transport and communications facilitated the movement of goods and so removal of obstacles to trade had its full meanings.

10. This is not so in Africa where conditions are radically different, viz. deliberate fragmentation of regional markets by transnational corporations who tailored production units to the size of domestic markets and therefore made these production units incapable of generating exportable surpluses; high production costs because of tariffs and non-tariffs imposed on these production units, which would encourage trade diversion rather than trade creation; and woefully poor quality and inadequate transport and communications infrastructures which do not facilitate the movement of goods to marketing areas.

11. Also, external trade of African nations is oriented towards foreign markets, outside the continent, and offers few prospects for trade among neighbouring countries because manufactures are often similar. For example, rail and road ways were built to places for evacuation of exportable raw materials; air routes were connected directly to metropolitan cities and there was little regard for connection with neighbouring countries, as you have in Europe. There was no thought given to any specialization in production nor economies of scale since these conflicted with exploitation strategies of the transnational companies. A re-thinking of the approach and mechanism for implementation has therefore become an imperative.

12. Regrettably, no approach is free from disadvantages, be it global, multisectoral, sector-by-sector or project-by-project. And none can be most highly preferred to the others as African countries have applied one or the other with varying degrees of success. What will be required is a mix of all the approaches tailored to the African conditions with the ultimate objective of achieving regional integration based on self-sustaining development.

13. With the disappointing practical results of integration in Africa, the key problems facing African leaders are those of deciding what forms of economic integration are most likely to succeed and of how to design arrangements for the mutual benefit of all. Most of the treaties of the economic integration schemes in Africa have been based on the market integration approach, i.e., on similar traditional schemes inspired by the EEC example, and thus lay more emphasis on trade liberalization rather than production, despite the virtual non-existence of an industrial base in sub-Saharan Africa. Much valuable time has been spent on measures at liberalization of trade with little or no impact on the volume of intra-subregional or even inter-State official trade. The major reason why trade might not rapidly increase is the lack of very much to trade in, particularly once the unrecorded trade (smuggling) is totally ignored.

14. The Community Treaty has departed from the traditional approach, and based its approach on a certain number of key sectors with a great capacity for integration, notably agriculture, transport and communications, trade, money and finance. It adopts a production-focused approach and specifically calls for collaboration for the expansion and diversification of material production. This new approach emphasizes broadening the regional production base and gives priority to deliberate measures for increasing industrial and agricultural production in the framework of a variety of cooperative schemes and arrangements. However, the possibility of increases in mutual trade is a critical incentive to expansion of production, but it cannot be taken for granted that the desired expansion will automatically follow.

15. The Treaty breaks with the past and the present tendencies which looked at economic cooperation and integration only in the context of traded goods, which are not produced locally, and financial arrangements. The new Community aims at strengthening the capacity of African States to industrialise and strengthen agriculture and mining among other productive sectors of their economies so as to provide goods to be traded in a common market.

16. To achieve the required goals certain measures need to be taken to coordinate and harmonize activities of the regional economic groupings with those of the Community and this is the subject of the next section.

I. THE NEED FOR MEASURES TO INTEGRATE ACTIVITIES AMONG EXISTING ECONOMIC GROUPINGS

17. From observations, the various existing economic groupings have failed to match the hopes and aspirations expected of them at the time of their creation. A time has to come for the re-examination and appraisal of the different strategies applied within these economic groupings and to seek ways they could become more functional.

18. While the creation of some of these economic groupings actually pre-date the Lagos Plan of Action and the Final Act of Lagos of 1980, there is no doubt that both accords did give a new dynamism and renewal of purpose for sustainable development in Africa. It was, also, in recognition of the fact that the economic cooperation and integration process in Africa had not produced the required results and, hence, the necessity for a more coordinated, harmonized and rationalized package of strategies for the actualization of sustainable growth.

19. The discussion of specific reasons for failure of these economic groupings is not within the scope of this paper but suffice it to say that the political will of the countries in each of the subregions, the lack of resources to these economic groupings, institutional deficiencies caused, deliberately and inadvertently,

when creating the institutions, types of approaches to integration, non-involvement of socio-economic agents, and economic crisis situations, contributed, importantly, to the non-deliverance of expected results.

Harmonization and coordination as instruments of economic integration

20. The success of any effort at economic integration among States of an economic grouping will depend, to a large extent, on whether these countries really know what they need to achieve in such a consensual relationship, i.e., the goals and objectives of economic integration and are able to coordinate and harmonize their economic activities. While it has been said that the purpose of coming together of African States is to adopt strategies for sustainable development it is not known, quite clearly, if the political will remains long after the euphoria of the treaty signing ceremony is over or whether these States are convinced about the approach to be adopted for the achievement of the ultimate objective of economic liberation and self-sustained economic growth. A pragmatic and functional approach needs to be adopted in solving the economic development problems in Africa.

21. Harmonization of policies entails bringing into concert the different policies of member States in a subregion so that development does not take place in discordant forms. When dealing with States which have dissimilar levels of economic growth, it is necessary to harmonize their national economic policies. This is what the Abuja Treaty of the Pan-African Economic Community seeks to do. It is an important programme of political and economic integration aimed at creating common economic policies. To reach such a level of harmonization a strong political will is needed by member States.

22. Proper harmonization and coordination of policies would enable States to overcome the problem of ascertaining the scope for profitable specialization, the creation or strengthening of appropriate production structures, and the equitable distribution of benefits among member States. Fragmentation of policies, duplication of discordant programmes and dissipation of resources are the results of not harmonizing and coordinating policies and approaches to economic integration. However, it has been observed that only few States are really interested in economic integration and so do not have national structures which could facilitate harmonization and coordination of policies and programmes. These States are, at best, passive to measures in support of such measures.

23. Coordination, ideally, does entail monitoring of activities and providing direction. Each individual country, and also the regional economic community, needs to develop the capacity to monitor the implementation of activities already agreed upon. It is in the interest of member States and the economic community to play predetermined roles in the integration process. National governments should have the political will to agree to harmonize their policies with those of the regional economic groupings. They have to submit their policies to the coordinating role of the economic grouping, with its regional or subregional scope, if harmonization of policies is to be to the advantage of each member State. Harmonization provides a means to share the cost and benefits of economic development within a certain geographic space which will eventually lead to a homogeneous economic space. To achieve full harmonization and coordination of policies and activities States have to give up a measure of their sovereignty and submit to the supra-national supervision of an economic grouping.

24. Harmonization and coordination of activities enable an integrated approach to development; a multisectoral approach that takes into account inputs of one sector into another; they lead self-sustaining development; they encourage dynamism in the national and subregional economic system and create a greater scope for rationalization of activities; they entail the adoption of common policies and objectives, and quite obviously common approaches to economic integration rather than divergent ones, such as market or production integration.

25. The goals of economic integration should include the harmonization of the national economies, improving competitiveness among the production centres of the subregion and increasing productivity in each of the sectors. Thus, harmonization and coordination are instruments in the integration process which will lead to eventual rationalization of both institutions and activities within a subregion.

26. The principal economic goal of any nation is to produce a high and rising standard of living for its citizens. Sustained productivity growth requires that an economy continually upgrades itself, for example, by producing increasingly differentiated products and introducing rising levels of automation to boost output per worker. International trade allows a nation to raise its productivity by eliminating the need to produce all goods and services within each of the nations within the subregion. Nations can thereby specialize in those industries and sectors in which their firms are relatively more productive and import those products and services, where their firms are less productive, from other subregional production centres.

27. No nation can be competitive in (and be a net exporter of) everything. A nation's pool of human and other resources is necessarily limited. Competitive advantage grows fundamentally out of improvement, innovation, and change; it involves the entire value system, sustained only through relentless improvement. Sustaining this advantage ultimately requires a subregional and regional approach to this strategy of competitiveness.1/

II. MEASURES AIMED AT STRENGTHENING COORDINATION AND HARMONIZATION OF ACTIVITIES AMONG EXISTING ECONOMIC GROUPINGS

A. Institutional measures

28. In order to strengthen any policy aimed at harmonizing and coordinating the economic activities of regional economic groupings, there needs to be harmonized institutional structures within these subregional economic groupings with those of the regional or continental body that is supposed to coordinate them. There cannot be hope of implementing harmonized economic policies if the subregional structures are not in tune with the Community. They have to match in same steps so that coordination is quicker and easier to understand and carried out. It is, therefore, necessary to streamline these structures along the following lines:

1. Rationalization of IGOs within the subregional economic groupings

29. It is an acknowledged fact that in each of the subregional economic areas there are competing smaller economic groupings, with similar objectives. These other smaller economic groupings fight for the same resources and unnecessarily dissipate these resources and therefore do not work for the optimum utilization of what material and human resources are available. They compete for funds from either the same national governments or international development partners for similar projects.

30. This spreads the resources thinly among these economic groups and tests the political will of individual countries to support the policy and programmes of the main subregional groupings. Several other factors come into play in trying to disrupt the main subregional policies earlier agreed to. The location of the smaller economic groupings; the persons running the organization; the suitability or otherwise of the programmes being carried out by this organization to the individual States and the donor of funds required for certain projects, play some role in attuning the political will of individual States to the policies of the main subregional body.

31. For coordinated development to take place within any subregion there has to be the rationalization of the IGOs. This has to be a sine qua non. If the policies of several economic groupings cannot be rationalized within a geographical subregion, there will be no hope of having harmonized policies at the continental level since the subregional groupings will be implementing discordant policies making the coordinating effort at the regional level too difficult. The attainment of one economic space within each of the subregions is a necessary step towards sustainable growth.

1/ See M.E. Porter, an excerpt in the Dialogue from his book "Competitive Advantage of Nations" (The Free Press - Macmillan Inc., 1990) for further discussion on why firms gain competitive advantage, increase productivity and specialize.

32. Each of the smaller economic groupings could be a specialized economic development agency which should implement programmes already agreed upon earlier by the main subregional groupings. In such a case the former secretariats of these smaller groupings would become arms of the main one with the control coming from the centre and staff being liable to transfer between each of the agencies and headquarters depending on their abilities and need. This measure would attenuate the tendency for subregional States to have divided loyalties and commitment and strengthen their resolve to the integration process within each subregion.

33. Rationalization of these institutions would yield considerable savings in funding and time management, optimum utilization of human resources once the policies are now harmonized and bring about better understanding between member States. The effectiveness of the main subregional economic groupings would be enhanced because there will no longer be the fragmentation, duplication and dissipation of policies and resources. The specialized NGOs, in such an atmosphere, would be more willing to contribute to the regional effort at economic integration than ever before since there will now be only one body to harmonize their policies with.

34. The West African subregion is in dire need for rationalization of its IGOs which number over 100. Proposals for rationalization of IGOs in West Africa had been made since 1987 but it was not until 1990 that a decision was taken by the Authority of ECOWAS "that there shall be a single economic Community in West Africa for the purpose of inter-regional integration and the eventual establishment of the African Economic Community envisaged in the Lagos Plan of Action". A resolution entitled "Rationalization of institutional arrangements for economic integration in West Africa" adopted by the Authority of ECOWAS in Banjul, the Gambia, on 30 May 1990 called on every member State to adopt and implement all necessary measures to strengthen and consolidate ECOWAS with the aim of making it the sole economic community in West Africa. The Executive Secretary of ECOWAS was then directed to prepare a flexible and pragmatic scheme of rationalization of integration efforts in the subregion, including practical modalities and a time-table for implementation.

35. Nothing appears to have been done to implement this decision, with the result that the other IGOs are still continuing their business as usual. It will take more than a resolution of the Authority of ECOWAS to implement that decision. A resolution is just a recommendation and it is not binding on member States. Even when a protocol or convention is signed to signal the death of other IGOs, the political will of member States to implement a scheme of rationalization will still have to be emboldened. Perhaps the authorities of other IGOs need that political will to put their subregional bodies to death to avoid conflicting interests.

36. The PTA of Eastern and Southern African States, at the tenth meeting of the authority, held in Lusaka, Zambia, on 30 and 31 January 1992 adopted a resolution that PTA and SADCC should be merged into a single common market for Eastern and Southern Africa, within the context of the Abuja Treaty for the African Economic Community.

37. Again another rationalization has been called for; it will remain to be seen if the political will for this union will be sustainable in view of the pressure that might be brought on SADCC and other States by a post-apartheid South Africa.

38. The fact, however, that these two major subregional institutions, which encompass nearly all the countries in their subregions, have called for rationalization of IGOs in their subregions signified the necessity to harness the available limited resources for the optimum benefit of the subregions and ultimately for Africa.

2. Institutional and structural harmonization of subregional groupings with the Pan-African Economic Community

39. If there is going to be effective harmonization and coordination of activities among the economic groupings, there have to be similarities of structures between the subregional groupings and the Community

on the one hand, and between the subregional groupings among themselves, on the other hand. This will facilitate implementation of decisions and consultations both vertically and horizontally.

40. Thus, this will entail the realignment of the organs of the subregional economic groupings with those of the Community which will include having subregional Parliaments, Economic and Social Commissions, Courts of Justice and specialized technical committees. Without a review of the treaties establishing the economic groupings, there will be confusion from the start in each of the economic groupings in that they will draw powers from their treaties to disregard, intentionally or otherwise, the coordinating role of the Pan-African Economic Community. A review of the treaties along the following lines will be useful:

(a) Decision-making procedures: The rule of unanimity in decision-making tend to be played upon by those countries who have little or no commitment to the ultimate objectives of the subregional or regional groupings in that they introduce extraneous elements into the process in order to slow it down. And when eventually a decision is reached, it is so watered down that it is of no consequence in relation to the overall objectives. That is why an amendment calling for unanimity in certain matters and two-third majority in others should be introduced;

(b) Decision to be immediately binding on all: Usually decisions taken by authorities or council of ministers are hardly binding on them but on subordinate organs or institutions. This is a collective responsibility and a decision taken should be immediately binding on those who take the decisions and to the subordinate bodies. This is the only way that the subordinate organs can be sure that work carried on, in the interest of the economic groupings, will be in consonance with the decisions of the higher organs and not work at cross purposes;

(c) Financing regional cooperation: With about 200 subregional and regional institutions (IGOs and NGOs) promoting cooperation in Africa there is bound to be the drying up of resources to finance these institutions. While it shows a commitment to cooperation, such a large number of organisations has led to duplication of responsibilities and financial obligations to member States. Rationalization of these organizations should be done to free a lot of resources for regional cooperation programmes. New ways should be devised for collecting assessed contributions so that the secretariats do not depend on the whims and caprices of unwilling members. In other words, there should be a high measure of self-financing mechanism for the institutions so as to avoid financial difficulties to them and to reduce over-dependence on external funding, even for operational costs of the institutions. In this connection the European Community means of raising funds by some form of specific taxation should be examined. The European example may not be taken, in toto, but a variant adapted to the African condition could be examined for this purpose;

(d) Popular participation in the process of regional integration: It needs to be recognized that the participation of the economic, political and cultural agents augurs well for the acceptance of the objectives of economic integration. The economic groupings should not be seen as creations of bureaucrats who stand to gain from them only. If the social welfare benefits are going to accrue from such cooperation then the opinions of these social agents - trade unions, women and student organizations, professional groups, chambers of commerce, political parties and the private sector entrepreneurs should be encouraged and represented in a subregional body - a Parliament. In this way the objectives will be filtered down to those who are likely to bear the initial pains of the integration process and the perceived gains thereafter and the opinions of the broad-mass taken up and distillated in the parliament;

(e) Conflict resolution mechanism: There must be an enabling environment - political, economic and cultural. There is unlikely to be progress towards economic integration within a subregional grouping if there are political and economic hindrances between the partners. There has to be some guarantee of external security and domestic stability. These combined together will make the mobilization of the economic and social agents towards a common regional goal possible. A regional Court of Justice, whose decisions are final, to arbitrate in disputes arising from cooperation and democratization of the political and economic structures in the member States, will also help.

3. Creation of national integration structures

41. The willingness of member States to support rationalization of IGOs at the subregional level will be enhanced if national integration structures are in place to support such an effort. In spite of the long years that member States have participated in subregional economic cooperation, only few countries have a well-structured national apparatus for monitoring and coordinating their involvement in the different IGOs. Because of this there is a poor record of implementation of the acts and decisions of the IGOs.

42. There is the imperative for member States to establish such structures that will enable coordination with the main subregional economic groupings. At the moment, different countries have different structures dealing with economic cooperation and in some countries there are two or more institutions or structures and, at times, without any effective coordination among themselves. It is, therefore, difficult to know what counterpart structure to deal with, even with a neighbouring country. Establishing national integration structures in each country will make for better coordination among member States and would facilitate implementation of decisions; it will, also, make for quicker consultations. Arguably, this will lead to easier consultation and harmonization of policies at the subregional level.

4. Harmonisation of the scope, goals and objectives of the Pan-African Economic Community and the existing economic groupings

43. For more than one organization to work together in harmony among themselves there has to be a congruence of scope and objectives. Where there is none, effort has to be made to harmonize these areas so as to facilitate concertation.

44. At the moment, the scope of activities and objectives differ from one economic grouping to the other. Some place more emphasize on trade while others place more emphasis on sectoral development, and yet, others emphasise integrated production or customs union. It has to be realized that such discordant approaches to economic cooperation and integration will not be in the best interest of either the subregional economic groupings or the Community.

45. A framework for the development, mobilization and utilization of the human and material resources, on a continental scale, should be jointly established between the existing and future economic groupings and the Community. This is to ensure harmonization and rationalization of activities which will promote cooperation particularly in the fields of agriculture, industry, transport and communications, energy, trade, money and finance and science and technology. More interestingly, a production-focused approach that integrates all the major sectors, as espoused by the PAEC Treaty, will appear to be what is needed by the economic groupings. Market integration or customs union or monetary integration would not be meaningful if production of goods, on an integrated basis, is not given emphasis. In fact, it is the lack of emphasis on integrated production that has been a contributory factor to the failure of the existing economic groupings to achieve their objectives. The economic groupings should reflect the ideals, scope and objectives of the LPA as the Community has tried to do.

5. Formalized relations between the Community and existing economic groupings

46. The establishment and strengthening of formal and institutional consultative and working machinery at vertical level, between the Community and regional economic groupings, and at horizontal level, between the regional economic groupings themselves, should be actively encouraged. In order to give this measure a boost administrative arrangements could be made both at the OAU and at the level of the secretariats of the regional economic groupings to set up desk offices for inter-regional integration and community matters, respectively. This should help to strengthen the institutional links between the Community and the regional economic groupings and so smoothen efforts at coordination and harmonization. The desk officers could be named delegates to the Pan-African Economic Community and the regional economic groupings, respectively.

47. Also, apart from attending the meetings of the executive heads of OAU/ECA/ADB, held twice a year, there should be inter-secretariat conferences between the regional economic groupings as a means or mechanism for horizontal consultation and coordination of policies among heads of the regional economic groupings. The exchange of information and experiences at these conferences could lead to the formulation and implementation of joint projects and coordination of activities; the conclusion of operational arrangements for cooperation and the probable formation of consultative committee on coordination which would carry out cooperation and integration activities in the priority areas of agriculture, trade, industry, energy and transport and communications.

48. Moreover, the regional economic groupings should be made to carry out their activities within the framework of policy, guidelines, directives and decisions of the Assembly of Heads of State and Government, regulations of the Council of Ministers, and Economic and Social Commission (ECOSOC). Sanctions should be worked out to be applied against the regional economic groupings which deliberately, that is, without written justification, violate decisions from those organs. Participation of the regional economic groupings' executive heads at Council of Ministers and the Economic and Social Commission meetings should be encouraged for the purpose of technical support.

49. Exchange of studies and experts should also be formalized. When studies are concluded they should, as a matter of routine, be circulated to other economic groups or to the Pan-African Economic Community for information. This is to enhance free flow of information regarding such studies and where contributions from other regional groupings are necessary they would serve to further enrich such studies. For some other economic groupings trying to carry out similar studies, duplication and dissipation of resources may have been avoided.

50. In the case of experts these could be exchanged as and when they are deemed needed instead of looking beyond the economic groupings for such experts as may be available in Africa. This cooperation among experts would eventually strengthen cooperation among economic groupings and so contribute to harmonization and rationalization of activities. For example, a transport economist in ECOWAS could be utilized from time to time by ECCAS, if his skills are needed and vice-versa.

6. Multisectoral level cooperation between the economic groupings and between them and the Community

51. Programmes and projects harmonization and compatibility in each of the sectors among the regional economic groupings and with the Community would greatly improve the rate at which their formulation and implementation are executed. Cooperation at this level would help to remove a lot of technical problems usually evident during negotiations at conferences and during implementation of decisions. The same process of consultations should be replicated within member States of each of the economic groupings.

B. Multisectoral measures

52. The major purpose for harmonizing and coordinating the activities of economic groupings is to have a homogenous economic space that would promote integrated development. Because of this, priority should be given to integrated multisectoral projects with provision for linkages among themselves. There has to be harmony between national and subregional sectoral policies so as to bring development into functional focus. National policies would, therefore, be relegated in favour of the integration of policy and consonance of effort. It means that national loyalty should not be more important than subregional/regional goals so as not to introduce "subjective" versus "objective" contention.

53. The institutional measures suggested earlier would serve to provide an enabling environment for cooperation in multisectoral policies. This would enhance the formulation of common policies and master plans in each of the sectors within each regional grouping and these could facilitate the creation of common continental policies for the sectors.

1. Development of Common Policies

54. A common policy is that which has taken into consideration various opinions related to a particular sector and a general consensus reached by all concerned as to how various aspects of the policy would be harmonized and coordinated. A common sectoral policy needs to be drawn out at each of the economic groupings which should make provisions not only for linkages within the region but also with the adjacent regions because the eventual aim is to have an integrated African economic space. The drawing up of common policies in each of the sectors would also promote rationalization of the activities among existing economic groupings and the establishment of such institutions as deemed necessary for this purpose. As a consequence, subsectoral master plans for each of the regions could easily be drawn in each of the sectors and provisions made for their interconnection.

55. The development of regional and continental sectoral common policies and master plans should therefore be given priority and accomplished within five years after the institutional reforms have taken place. Or, in fact, they could run earlier in the regions where such reforms have been accomplished ahead of schedule.

2. Sectoral policy issues and measures

56. The promotion of multisectoral and intersectoral linkages at subregional and continental levels should be a major objective in coordinating and harmonizing activities among the existing economic groupings. There should be a functional relationship between the Pan-African Economic Community, regional and subregional economic communities, multisectoral development organizations and the specialized technical agencies. This major function of coordination and harmonization would be within the purview of the Economic and Social Commission of the PAEC which has been mandated in Article 16 of the Treaty of the Pan-African Economic Community to:

(a) "Prepare in accordance with the Lagos Plan of Action and the Final Act of Lagos programmes, policies and strategies for cooperation in the fields of economic and social development among African countries on the one hand, and between Africa and the international community on the other, and make appropriate recommendations to the Assembly, through the Council;

(b) "Coordinate, harmonize, supervize and follow-up the economic, social, cultural, scientific and technical activities of the secretariat, of the communities and any other subsidiary body; and

(c) "Make recommendations to the Assembly, through the Council, with a view of coordinating and harmonizing the activities of the different regional economic communities".

57. Having a common policy presupposes that divergent approaches to integration by economic groupings have to be harmonized and coordinated so as to have a common integration objective. This will serve to hasten the pace of the building of the Pan-African Economic Community. It envisages that the programmes and activities should be harmonized in terms of realistic, workable and time-sequenced objectives. Harmonization, also, entails developing closer working relationship among economic groupings in order to share views, experiences, successes, difficulties and consultation with one another as and when necessary. This sharing of information would enable subregional economic groupings to share programmes and activities within the subregion and develop fruitful relationship among adjacent economic groupings. This will reduce cost and avoid duplication of activities.

58. With this in mind, the economic groupings should be able to harmonize and coordinate their activities. It is expected that the measures should start in tandem with the formulation of common sectoral policies but should spread over immediate-, medium- and long-term activities and programmes leading to the eventual establishment of an African Economic Community as envisaged in the Abuja Treaty. Priority should be given to such sectors as agriculture, industry, transport and communications, energy, trade, money and finance. The following policy guidelines and measures are suggested:

(a) Transport and communications

59. The strengthening of subregional economic communities and specialized African IGOs in conceptualization, design and execution of rational transport and communications development, policies and projects during the second United Nations Transport and Communications Decade in Africa (UNTACDA) should aid the process of infrastructural development in each subregion and eventually in Africa. The establishment of an integrated transport and communication system in Africa as a basis for the physical integration of the continent should help to improve the efficiency of national and international traffic and foster cooperation among African countries in order to achieve self-sustained economic development in accordance with the LPA. Planned activities in this area should aim at rationalization of air transport routing systems; development of coastal shipping; completion of inter-country road networks; and upgrading and extension of rail transport system.

Measures: The integration of transport and communication infrastructures; encouragement of the use of local material and human resources; standardization of networks and equipment, research and popularization of infrastructural construction techniques as well as adapted equipment and materials; the creation of regional industries for the production of transport and communication equipment.

(b) Agriculture

60. Policy in this area should ensure the total development of agriculture, including forestry, livestock and fisheries; the enhancement of production and productivity in these areas and should take into consideration the improvement of the working conditions and the provision of employment opportunities in the rural areas.

Measures: Food self-sufficiency, increased production and productivity in agriculture, livestock, fisheries, forestry and processing of these products. But these should be preceded by the production of agricultural inputs, fertilizers, pesticides, selected seeds, agricultural machinery and equipment, veterinary products, the development of river and lake basins and the development and protection of marine and fishery resources, reduction of losses in food production, plant and animal protection;

Food security: Adoption and implementation of Community food security plans for the same subregion and between the subregions so that those with food surplus can supply others with food deficit rather than depend on food donors from abroad.

(c) Integrated industrialization

61. The recent Conference of African Ministers of Industry in July 1991 in Dakar, Senegal, adopted the programme of the second Industrial Development Decade for Africa, 1991-2000 and also a Declaration on Industrialization and Economic Integration in Africa.2/ Both documents have stressed the indispensability of industrialization to the economic integration process in Africa and have called for a well-integrated industrial base at national, subregional and regional levels so as to ensure maximum vertical and horizontal linkages of the industrial structures; rationalization and harmonization of existing production capacities in each industrial subsector and the restructuring of the industrial sector to promote the goals of an independent, integrated and self-sustaining national economy, with forward and backward linkages within and between sectors, especially between agriculture and industry. With this programme in mind, the first major task for the communities should be:

(a) Rehabilitation of key community enterprises and liberalization of trade pertaining to their products within the community. African countries still import basic and capital items from outside the

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2/ See E/ECA/CM.18/12

continent because they are unaware of the availability of such products as fertilizers, iron and steel, cement, etc., in other African States. If the industrial plants are rehabilitated and are aware of larger African markets, they could open new production lines and subsequently decrease production costs due to economies of scale;

(b) Harnessing indigenous scientific capability and adapting imported technology - Africa cannot continue to depend on imported technology all the time but should be prepared to develop appropriate technology suitable to Africa or adapt imported technology so as to reduce Africa's dependency on inappropriate technology; and

(c) Lay the foundation of new industries based on national resources and increased processing of local raw materials and ensure and encourage greater involvement of the private sector in the industrialization process.

Measures: The Dakar Declaration on Industrialization and Economic Integration in Africa contains comprehensive measures to be taken to improve industrial output within and among the economic groupings.

The strengthening of the industrial base of each of the regional communities in order to modernize the priority sectors, foster self-sustained and self-reliant development, promote joint industrial development projects within and between the regional communities, as well as the creation of African multinational enterprises in the priority industrial subsectors likely to contribute to the development of agriculture, transport and communications, natural resources and energy.

(d) Energy rationalization

62. In the area of energy, the rationalization and distribution of energy from energy surplus areas to energy- deficit areas by means of interconnecting electricity grids should be given a priority. Countries within each subregion should carry out feasibility studies on the possibility of jointly developing the hydro-electric power potential of each subregion and its effective mobilization through a network of grids and interconnections to serve the needs of the subregions. This is because an adequate supply of energy is a basic condition for sound and sustainable development, particularly industrial development.

63. The development of subregional infrastructure is, therefore, necessary for individual national economies of member States to participate efficiently in a subregional production and distribution. The development of subregional economic space would enable resource endowments of member States to be exploited more rationally and profitably, regardless of where they are located and would ensure that there are no wide disparities in the distribution cost of subregional products.

Measures: The articulation of common energy policy, particularly, in the field of research, exploitation, production and distribution and the promotion of the development of new and renewable energy resources in the framework of the policy of diversification of sources of energy.

(e) Monetary and finance cooperation

64. Urgent financial cooperation between African countries needs to be tackled in order to overcome the problem of non-convertibility of most African currencies. This has been a great hindrance to trade among African countries who instead prefer to deal with advanced economies who have the credit facilities but in so doing accumulate heavy trade deficits in convertible currencies. The only two convertible African currencies, the CFA and the South African Rand, could be a beginning in those subregions although the structural adjustment programmes in most African countries have as their ultimate aim the convertibility of local currencies but which has not happened in any of them.

Measures: The harmonization of monetary, financial and payments policies will boost intra-community trade in goods and services in that they will use their national currencies in the settlement of commercial and financial transactions in order to reduce the use of external currencies in such transactions; would encourage the establishment of appropriate mechanisms for setting up multilateral payments systems; open regular consultations among the economic groupings on monetary and financial matters; encourage the creation of national, subregional and regional money markets, through the coordinated establishment of stock exchanges.

(f) Trade

65. Intra-African trade is at a very low level, estimated generally to be about 5-6 per cent although these figures may not reflect the exact volume and value of trade activities among African countries insofar as they relate only to recorded trade. Even when these figures were adjusted to include the unrecorded volume, intra-African trade may barely exceed 10-12 per cent. The volume of trade is unlikely to increase unless the fragmented production capacities are substantially improved and harmonized. Therefore, increased productivity and production will be an incentive to trade in Africa and not vice-versa.

Measures: Improvement of a variety of trade-related facilities such as transport, communications, payments arrangements are keys to enhanced intra-African trade. At the same time, there is need for African countries to deliberately seek and promote trade opportunities among themselves. Some products such as meat, cocoa, sugar, oil, etc., can be readily obtained from one African country rather than importing them from outside Africa. The process of seeking trade opportunities should be complemented by certain joint production centres.

Common policies that should lead to the establishment of an African customs union, elimination of tariff and non-tariff barriers to intra-community trade; establishment of a common external customs tariff, system of intra-community trade, establishment of most-favoured-nation treatment between African countries and trade promotion between intra-community, South-South trade and North-South trade. ECA's "Strategies for revitalization, recovery and growth of Africa's trade in the 1990s and beyond" which has been adopted by African Ministers or Trade could be used as a working paper for action in this sector, too.

III. CONCLUSION

66. The time for the reappraisal of developmental strategies in terms of regional economic cooperation and integration has now come with the signing of the Treaty of African Economic Community. This has become an imperative because of the failure of existing economic groupings to live up to the expectations for their creation within their subregions.

67. With the scarce resources available - human, financial and material - measures need to be devised for maximum utilization of these resources. Cooperation among, rather than only within, existing economic groupings need to be strengthened through the harmonization, coordination and rationalization of their activities so as to promote economic, social and cultural development and the integration of African economies. This central coordination presupposes that such activities must necessarily have taken place at the subregional level giving rise to a greater consciousness and need for better integration.

68. Donor-fatigue is fast drying up sources of external finance and that should necessarily embolden African nations to look inwards for mobilization of funds. There has to be created within African States an enabling environment that makes the measures hitherto mentioned in this paper possible because the continent's survival is going to hinge on cooperation and integration of economic and social activities rather than dissipation of resources and on external dependency.

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PROGRESS REPORT ON THE UTILIZATION OF UNITED NATIONS TRUST FUND FOR AFRICAN DEVELOPMENT (UNTFAD) RESOURCES

INTRODUCTION

1. A proportion of the extrabudgetary resource requirements available to the Economic Commission for Africa (ECA) to implement its work programme and priorities has since 1977 been provided by ECA member States through the United Nations Trust Fund for African Development (UNTFAD). While funds from the regular budget are made available by the United Nations General Assembly to maintain the Professional and General Service staff of the ECA secretariat, and to support related costs of equipment, mission travels, seminars and other expenses incidental to the implementation of the secretariat's substantive work programme, the extrabudgetary resources of which the UNTFAD forms part, constitute a major source of funding for ECA's operational activities and support the activities of subregional and regional institutions under the auspices of ECA.

2. The UNTFAD resources are made available to the ECA secretariat on a voluntary basis through the Pledging Conferences on the UNTFAD, organized biennially, usually on the last day of the ECA Conference of Ministers and in New York, under the United Nations Pledging Conference for Development Activities.

3. In 1983, during the fourth UNTFAD Pledging Conference, non-African countries began to show an interest by making pledges. Since then, these countries and their development agencies have, with the exception of 1987, made pledged contributions in subsequent conferences.

I. UNTFAD RESOURCES

A. Cash contributions

4. UNTFAD resources made available to ECA have mainly been in the form of cash contributions. Table I shows the total cash contributions made up to the last Pledging Conference held in Addis Ababa in May 1991, including those unpaid.

Table 1. Cash contributions

Country/institution	Total pledges [1] (in $US)
African countries and institutions	
Algeria	500,000
Angola	10,000
Benin	51,000
Botswana	78,852
Burundi	54,815
Cameroon	308,081
Central African Republic	35,993
Chad	20,000
Congo	100,000
Egypt	50,000
Ethiopia	73,010
Gabon	61,052
The Gambia	5,000
Ghana	80,000

[1] Includes pledges made in New York.

Country/institution	Total pledges [1] (in $US)
Guinea	35,000
Guinea-Bissau	6,521
Equatorial Guinea	2,000
Lesotho	45,872
Kenya	347,688
Liberia	55,000
Libyan Arab Jamahiriya	600,000
Malawi	4,500
Mali	50,000
Mauritania	10,000
Mauritius	30,000
Morocco	1,000,000
Niger	36,529
Nigeria	2,312,303
Rwanda	105,000
Sao Tome and Principe	5,000
Senegal	212,000
Sierra Leone	110,000
Somalia	30,000
Sudan	65,000
United Republic of Tanzania	820,000
Togo	60,000
Tunisia	80,000
Uganda	27,953
Zaire	653,139
Zambia	97,687
Zimbabwe	160,498
African Development Bank	250,000
ECA Staff Union	40,000
Total	8,679,493
Non-African countries/institutions	
China	108,602
Federal Republic of Germany	50,000
India	1,000,000
Brazil	5,000
Colombia	4,087
Cyprus	2,000
France	137,249
Carnegie Corporation	176,000
Total	1,482,938
Grand total	10,162,431

[1] Includes pledges made in New York.

B. Contributions in kind

5. Contributions in kind constitute another form of assistance to the UNTFAD mainly through the provision of host facilities. Table 2 shows the contributions in kind made so far to the UNTFAD.

Table 2. Contributions in kind

Country/institution	Total pledges (in $US)	Remarks
African countries/institutions		
Burkina Faso	819,206	Hosting facilities for the Regional Remote Sensing Centre in Ouagadougou
Ethiopia	28,986	Provision of expert(s)
Zambia	323,000	Hosting facilities for Lusaka MULPOC
Total	1,171,192	
Non-African countries/institutions		
Federal Republic of Germany	236,000	Equipment for ECA reproduction and printing service and expert in coal and lignite resources
India	750,000	Various workshop equipment for ARCEDEM and 25 fellowships to Indian institutions
Total	986,000	
Grand total	2,157,192	

C. Contributions as a percentage of overall extrabudgetary resources available to ECA during 1990-1991

6. As can be seen from table 3, the UNTFAD represented 5 per cent of extrabudgetary resources available to ECA to implement operational activities during the last biennium. The percentage ratio rose significantly from 2 per cent in 1990 to 7 per cent in 1991 due to the fact that the Executive Secretary was authorized by the Conference of Ministers to use the accumulated interests to fund priority programmes.

Table 3. UNTFAD as a percentage of overall extrabudgetary resources available to ECA during 1990-1991

Sources of funds	1990 ($US)	%	1991 ($US)	%	Total 1990-1991 ($US)	%
UNDP	10,699,578	55	18,153,228	73	28,852.806	65
UNFPA	4,722,923	25	3,884,645	16	8,607,568	20
Bilateral donors	3,492,610	18	956,701	4	4,449,311	10
UNTFAD	396,365	2	1,721,431	7	2,117,796	5
Total	19,311,476	100	24,716,005	100	44,027,481	100

II. EVOLUTION OF UNTFAD CONTRIBUTIONS TO ECA

7. Since the inception of the UNTFAD in 1977, eight pledging conferences have taken place on the occasion of the ECA Conference of Ministers in 1977, 1979, 1981, 1983, 1985, 1987, 1989 and recently in 1991. The first pledging conference had a very enthusiastic response with 23 African countries making a total, and indeed the largest pledged contributions since, of over $US 4.4 million.

8. In 1979 and 1981, pledges by African countries, fell to an average of 38 per cent of the 1977 pledges. The number of countries pledging also decreased, although total pledges remained over $US 1 million.

9. The 1983 Pledging Conference saw a steep decline in pledges by African countries to a mere $US 464,569, with only nine African countries pledging. However, it was also the Pledging Conference in which non-African countries began to show interest in supporting the UNTFAD. India, the Federal Republic of Germany and the People's Republic of China for the first time made a total pledge of $US 1,687,020, with India contributing about 80 per cent. This boosted the total overall pledges in that year to over $US 2.1 million.

10. Pledges by African countries have since then progressively diminished during subsequent Pledging Conferences, reaching a low ebb of $US 154,846 in 1991, with only seven African countries pledging and four others making promises to pledge at a later date.

11. Taking into account overall contributions made both by African and non-African countries, UNTFAD pledged contributions have fallen from a total of $US 4,443,447 in 1977 to $US 283,677 in 1991, an almost 94 per cent decline.

12. It can be observed from the foregoing that the response to the call of the UNTFAD, which had a very encouraging beginning, is now increasingly and continuously witnessing a rapid down turn of interest and support. The outlook for future pledges is very bleak, as many African countries continue to face severe economic and financial difficulties, greatly reducing their capacity to make contributions in spite of their goodwill towards the UNTFAD.

13. Coupled with the rapidly declining pledged contributions to the UNTFAD is the problem experienced by many countries in honouring their pledges by making prompt payments.

14. As at 31 December 1991, a total amount of $US 2,029,028 was still owed to the UNTFAD in terms of unpaid contributions. Annex I shows contributions made at each pledging conference including pledges made in New York, paid and unpaid contributions.

15. Payments of pledged contributions have generally been slow and come in trickles. Significant arrears are still due from a number of countries since 1981, in spite of collection efforts by the ECA secretariat through contacts with and notes verbale to the relevant authorities, and recently through letters addressed by the ECA Executive Secretary to the Heads of State of the countries concerned.

16. Nonetheless, the outlook for this decade increasingly shows that African countries have to strive hard to seek internal solutions to their economic development aspirations. One area which will call for greater attention to this inward search for solution is the mobilization of resources. External resources will most likely experience relative decrease as a result of moves towards the creation of inward-looking economic blocs and the emergence of new partnerships among developed countries and countries undergoing incredible political and economic metamorphosis.

17. Within the framework of the ECA programme of work and priorities, which itself has recently undergone an exercise of self-evaluation and re-direction towards the socio-economic challenges of the 1990s of the African continent, the UNTFAD would still remain a vital funding source for the coming years and assume greater prominence. Future UNTFAD pledges and payments are therefore situated against such a background.

III. USE OF UNTFAD RESOURCES

18. During the period under review, the following projects shown under the sectors concerned were implemented under the UNTFAD as new or ongoing projects from the previous year. Annex II indicates the list of the projects, their total cost, prior year expenditures and allocations for 1991.

A. Agriculture

Regional workshop on evaluation of experiences of ten rural development projects in Africa (ATF/001/049)

19. The project, which started in 1988, was aimed at conducting an in-depth evaluation of rural development projects in selected African countries with a view to applying the findings and results to guide future rural development programmes and projects in other African countries.

20. The countries involved were Cameroon, Ethiopia, Ghana, Lesotho, Madagascar, Malawi, Mozambique, Senegal, Sierra Leone, the Sudan, the United Republic of Tanzania and Zimbabwe. The findings and results of the case studies in the above countries constituted the object of an intergovernmental regional workshop which was held in Addis Ababa in November 1990. Activities during 1991 were mainly devoted to the finalization, reproduction and dissemination of the report of the workshop.

B. Industry

Preparation of a directory of project profiles on small-scale agro-allied industries and organizations of a regional seminar for entrepreneurs in small-scale industries (ATF/001/046)

21. This project also started in 1988 and its main objective was to prepare technical project profiles on small-scale agro-allied industries for use by existing and potential entrepreneurs and other economic operators interested in investments in small-scale agro-allied industries. The second objective of the project was to organize a regional workshop to discuss and improve the directory before its final publication. To date, the Directory of Project Profiles has been completed providing basic information on the various aspects

of the production processes of agro-allied industries. During 1991, updating of the project profiles, taking into account the recommendations of the regional workshop held in Abidjan in November 1989, was completed.

Assistance to the African Regional Centre for Engineering Design and Manufacturing (ARCEDEM) (ATF/002/070)

22. UNTFAD assistance was provided to ARCEDEM to supplement resources provided by UNDP and the Government of India to enhance the operational and management efficiency of the Centre.

Subregional workshop for middle-level industrial managers and planners on industrial planning data and policy formulation in Central Africa (ATF/002/061)

23. The workshop, which was co-sponsored by the Islamic Development Bank, had the objective of assisting African middle-level industrial managers and planners in improving their skills in industrial policy formulation, and establishing industrial objectives and priorities, including collecting and analyzing relevant data.

Workshop on the development of entrepreneurial capability for cottage and small-scale industries (ATF/002/072)

24. The objective of the workshop, which was held in Kampala, was to enhance entrepreneurs knowledge of small and cottage industries and their role in industrial development; encourage the conceptualization of viable project ideas, the means of access to resources and financing as well as consultancy services, and to up-grade their skills in financial management.

C. Economic cooperation and ECA MULPOC activities

Establishment of a Preferential Trade Area (PTA) in North Africa (ATF/002/001)

25. The project was designed, inter alia, to contribute to the long-term objective of establishing a common market in Africa by the year 2000.

26. Similar to the now fully operational PTA in Eastern and Southern Africa, the project is expected to accomplish the following studies towards the formation of the North African PTA:

(a) Present needs and potentials in the field of trade;

(b) Reduction and elimination of tariff and non-tariff barriers;

(c) Harmonization of trade documentation and procedures;

(d) Rules of origin;

(e) Export credit insurance scheme for the subregion;

(f) Clearing and payments arrangements.

Lake transport development and security of navigation on Lakes Kivu and Tanganyika I (ATF/001/052)

27. The project is designed in response to the resolution of the Gisenyi MULPOC legislative organs aimed at improving navigation on Lakes Kivu and Tanganyika. Within this project, hydrological and other

technical studies are being conducted with a view to undertaking major dredging works towards the deepening of the port of Bujumbura.

Lake transport development and security of navigation on Lakes Kivu and Tanganyika II: (ATF/002/064)

28. Under the same resolution, this second project will address similar improvements on the ports of Kalemie and Kalundu. The main outputs expected from the two projects are complete feasibility reports on the dredging works to be conducted at those ports.

Cartography on peat resources in the Gisenyi-MULPOC subregion (ATF/002/063)

29. The project has the objective of elaborating a map of peat resources available in the Gisenyi MULPOC subregion with a view to their eventual economic exploitation.

Assistance to the Lusaka MULPOC (ATF/002/036)

30. This is an ongoing project from previous years aimed at providing administrative backstopping to support the MULPOC's work programme.

Workshop on management and technical capacity-building in savings and housing finance institutions in Africa (ATF/002/082)

31. The project stems from Zambia National Building Society's consultations with Lusaka MULPOC for cooperation on questions and issues related to the role which building society movements can play in financing middle-class and low-cost housing through mobilizing and canalizing resources.

32. Consequently, the project was designed with the aim of organizing a seminar that will provide a forum for the analysis of current housing financing issues and problems in Africa, including the mobilization of funds for low-cost housing development, human resources development and training.

Secondment of civil service and other staff by member States to the Lusaka-based MULPOC (ATF/002/065)

33. The project seeks to enhance the substantive and technical capacity of the Lusaka-based MULPOC for subregional programme development, planning and implementation through the secondment by member States of the subregion of their civil servants and other staff resources on a short-term basis to the MULPOC.

34. In this context, the project will finance the mission travels and per diem of one industrial economist, one energy specialist and one food specialist to undertake activities in their fields of competence within the framework of the Lusaka MULPOC work programme. It should be recalled that this project is also in response to a resolution adopted by the Council of Ministers of the Lusaka MULPOC in March 1989, whereby a decision was made that member States should augment the staff resources of the MULPOC, through the secondment of their civil service personnel and other staff.

D. Natural resources

Valorization of the exploitation of gold deposits in the Liptako-Gourma region - first phase (ATF/002/081)

35. The project aims at assisting the Liptako-Gourma Authority grouping Burkina Faso, Mali and the Niger in undertaking a comprehensive study on the organizational, technical as well as the legal framework to assist the development of small-scale artisanal gold exploitation in the region. Thus, the project will help formulate a strategy for the rational exploitation of gold deposits in the subregion as well as establish

proposals on concrete investment actions towards increasing gold production and productivity in the three member countries.

Assistance to the African Centre for Technology for strengthening the technological capabilities of African countries (ATF/002/069)

36. The objective of the project is to enhance the capabilities of the African Regional Centre for Technology to carry out its mandate, with the provision of professional services. The project will, inter alia, assist ARCT in sensitizing policy-makers, planners and other users about the potential application of science and technology in Africa, provide advisory services in matters of science and technology, and coordinate the programmes of ARCT with those of other institutions interested in technology development in Africa. The project will also enhance the executive direction of the Centre.

Nuclear energy meeting (ATF/001/040)

37. The project started in 1989 with the meeting of plenipotentiaries on the establishment of the African Nuclear Energy Commission, in response to ECA Conference of Ministers resolution 572 (XXI) which called for emphasis to be placed on Africa acquiring basic knowledge of nuclear science and technology.

38. A second meeting, which was scheduled to take place in 1991, has been put forward to June 1992. Consequently, the 1991 allocation has been rephased to 1992.

Inventory and assessment of industrial minerals in Africa (ATF/002/057)

39. Starting in 1990, the project aims at conducting a comprehensive study on Africa's precious and semi-precious stones and metals, the present extraction methods, constraints and strategies for enhancing increased exploitation, transformation and utilization of these stones and metals. Two major reports entitled "Review of African potential for precious and semi-precious metals and stones and production" and "Assessment of African potential on precious and semi-precious metals: Gold exploitation on a small scale" have so far been produced under the project.

Support to Eastern and Southern African Mineral Resources Development Centre Library and Documentation Unit (ATF/502/078)

40. The project is designed to strengthen the ESAMRDC library and documentation services in Dodoma, United Republic of Tanzania, in terms of computer and printing equipment, books and publications, and additional furniture and fittings.

Fourth Regional Conference on the Development and Utilization of Mineral Resources in Africa (ATF/001/042)

41. The balance of the funds allocated to the fourth Regional Conference which took place in 1978 was rephased in 1991 in order to implement a follow-up activity related to the preparation of a study and a report on copper and alluminium manufacturing facilities in Africa and prospects for intra-African manufacture and trade in copper-based products.

E. Socio-economic research and planning

ECA Post-Doctoral Fellowships in Economics of Development (ATF/002/099)

42. Starting in 1990, the project seeks to provide an opportunity for young Africans who have recently completed their programmes of doctoral studies in economics and desirous of acquiring experience in applied

economics and research, to contribute to the socio-economic research activities of ECA. Other objectives of the project are to stimulate and promote a better understanding, appreciation and resolution of significant, contemporary or emerging African common economic problems as they relate to development, to encourage the availability of research findings on critical economic issues that will assist African planners, policy- and decision-makers as well as scholars in development planning and economic management, and to provide an opportunity for African scholars to play an effective leadership role both in the public and private sectors in the future. During 1991, five fellows from Nigeria, Ghana, Egypt, Somalia and Ethiopia were selected.

Planning and restructuring of financial markets in the context of stabilization and adjustment programmes for socio-economic transformation (ATF/002/068)

43. The project concerns follow-up studies on financial markets restructuring and planning in the context of the African Aternative Framework to Structural Adjustment Programmes for Socio-economic Recovery and Transformation (AAF-SAP), based on an exhaustive analysis of the peculiar characteristics and historical experience in selected African countries. This will provide support for the design and internalization of policy instruments in advancing the process of recovery and transformation in Africa.

Support to the African Institute for Economic Development and Planning (IDEP) (ATF/002/080)

44. Similar to the institutional support to the ARCT, the project aims at assisting IDEP with professional support in carrying out its mandate. The project will also contribute to improving the Institute's bilingual publications and dissemination of the information resulting from its research and advisory services to African Governments and other parties.

ECA/OATUU Seminar on AAF-SAP and Popular Participation (ATF/002/067)

45. This was a seminar project on AAF-SAP and the African Charter for Popular Participation in Development and Transformation for the benefit of trade unionists from all over Africa, with a view to sensitizing them on AAF-SAP and the Charter. The seminar, which was held in March 1991, was attended by over 39 participants.

Executive Council Meeting of the African Economic Association (ATF/002/062)

46. A modest UNTFAD assistance was provided to support the immediate task of the African Economic Association in terms of operationalizing its executive organs and launching the 1990-1991 work programme. This called for convening a meeting of the Executive Council to work out the modalities to accomplish this task.

Promotion of the informal sector in Africa (ATF/002/066)

47. The UNTFAD provided seed money to enable a preliminary review to be undertaken on the informal sector in Africa, as a first phase of a pilot project on informal activities in two selected African countries agreed to be financed by the Government of the Federal Republic of Germany at a cost of about $US 800,000, over a two-year period as from 1992

F. Population

Population Information Network for Africa (POPIN-AFRICA) (ATF/002/077)

48. The project's objectives were to enhance POPIN-AFRICA's capabilities by:

(a) Intensifying assistance to member States to facilitate the creation of national population information knowledge bases and systems and encourage their participation in the regional population information network;

(b) Intensifying acquisition and processing of relevant population information materials; and

(c) Preparing technical publications and public information materials for dissemination.

Assistance to the Regional Institute for Population Studies (RIPS) (ATF/002/078)

49. Temporary assistance was provided to RIPS to support the functions and activities of the administrative office in terms of the Institute's administrative and financial management.

G. Public administration, human resources and social development

Assistance to the United Nations African Institute for the Prevention of Crime and the Treatment of Offenders (UNAFRI) (ATF/002/079)

50. UNTFAD assistance was provided to UNFAFRI in support of the following:

(a) Formulation of policies and programmes for the prevention of crime and the treatment of offenders in the context of overall national development planning;

(b) Design and conduct of training programmes for different categories and levels of criminal justice and related personnel, including policy-makers, administrators, judges, prosecutors, lawyers, police and correctional officials, teachers, social workers and researchers;

(c) Undertaking of policy-oriented studies and research on priority problems including the collection of information on crime trends and their impact on development;

(d) Establishment of a framework for a data bank and the promotion of exchange and transfer of knowledge, expertise and experience on crime prevention.

H. Information and documentation

Pan-African Documentation and Information System computer operations (ATF/001/033)

51. Under the above project, assistance was provided to PADIS to support the activities of the centre's computerized information section comprising the following:

(a) Current awareness bulletins of Devindex Africa;

(b) Cumulative annual index of Devindex Africa;

(c) Edition of the Directory of African Experts;

(d) Edition of the Directory of African Development Institutions;

(e) PADIS Newsletter.

I. Policy and programme coordination/strengthening of the ECA secretariat

Enhancement of the capacity and capability of ECA in policy analysis and programme formulation, monitoring and evaluation (ATF/002/056)

52. The project is designed to strengthen the capacity of the ECA Policy and Programme Coordination Office in order to enhance the quality control in the reports and documents produced by ECA in the context of its work programme and priorities, collect and analyse monitoring and evaluation data on a continuous basis, and disseminate and communicate such data to senior management, and decision-makers as and when needed. The project will also help to conduct research on policy issues with a view to re-orienting the research and operational activities of the ECA secretariat and to maintain an active follow-up on the decisions and resolutions of intergovernmental organs such as the General Assembly and the Committee for Programme and Coordination.

Task Force on Review and Appraisal of the Policy, Programmes and Management Capacity of ECA (ATF/002/083)

53. Assistance was provided under the UNTFAD towards the establishment of a special Task Force that examined and made recommendations on specific policy orientations and their implications for programme formulation and delivery, as well as on necessary organizational adjustment in ECA. The Task Force examined, inter alia, issues of staff morale and motivation, career development and training orientation at the leadership level and the internal organization, structure and functioning of the secretariat, including the links with field agencies such as the MULPOCs, ECA-sponsored institutions, intergovernmental organizations, etc. The Task Force was composed of eminent experts from New York, Nairobi, Dakar, Algiers and from ECA itself.

IV. CONCLUSIONS AND RECOMMENDATIONS

54. If future pledging conferences continue with the rapidly declining trend, there would seem to be no alternative but an inevitable demise of the UNTFAD with the adverse implications that this could have for the work programme and priorities of ECA, particularly in the area of operational activities.

55. With hardly any other viable options, African countries are entreated to continue with their strategy of self-reliance, and strive to reverse the increasingly downward trend in both pledged contributions and assure timely and prompt payments of their pledges and arrears. In this connection, the following recommendations are suggested:

(a) Currently, there are two main pledging conferences during which countries make pledges to the UNTFAD. These are the biennial pledging conferences on the UNTFAD held on the occasion of the ECA Conference of Ministers responsible for Economic Development and Planning and the United Nations Pledging Conference for Development Activities held annually at United Nations Headquarters in New York. Pledging Conferences to the UNTFAD could be maintained as an annual event solely through the United Nations Pledging Conference for Development Activities which is opened to a greater number of countries, including a large number of developed countries, than the biennial ECA UNTFAD Pledging Conference. The preparatory activities for organizing the New York Conference should give equal prominence to campaigns in favour of the UNTFAD, and the biennial ECA UNTFAD Pledging Conferences may be discontinued.

(b) Future pledges and arrears of previous contributions should be incorporated in the national budgets of the countries concerned, so as to assure systematic and timely payments.

Annex I

AFRICAN COUNTRIES PLEDGES TO UNTFAD
(Amounts in US dollars)

Country/ institution	1977	1979	1981	1983	1985	1987	1989	1991	New York pledges	Total pledges	Total payments	Arrears
Algeria	500,000									500,000	500,000	-
Angola								10,000		10,000	-	10,000
Benin	40,000		5,000	5,000					1,000	51,000	40,500	10,500
Botswana		20,000	25,000	10,000	12,000				11,852	78,852	67,000	11,852
Burkina Faso	819,206									819,206	819,206	-
Burundi	20,000		20,000						14,815	54,815	33,367	21,448
Cameroon	40,000	40,000			60,000				168,081	308,081	140,000	168,081
Central African Republic	12,000				21,052				2,941	35,993	33,552	2,441
Chad	20,000									20,000	20,000	-
Congo			40,000		60,000					100,000	73,175	26,825
Egypt		50,000								50,000	50,000	-
Equatorial Guinea							2,000			2,000	-	2,000
Ethiopia	73,010						14,493	14,493		101,996	87,503	14,493
Gabon			40,000		21,052					61,052	51,052	-
The Gambia	5,000									5,000	5,000	-
Ghana	50,000						20,000		10,000	80,000	45,000	35,000
Guinea			30,000				4,000		1,000	35,000	30,000	5,000
Guinea-Bissau			595		926		5,000			6,521	595	5,926
Kenya	59,259	60,000	70,000	72,000	75,000	11,429				347,688	93,683	254,005
Lesotho		7,000					38,872			45,872	7,000	38,872

Country/ institution	1977	1979	1981	1983	1985	1987	1989	1991	New York pledges	Total pledges	Total payments	Arrears
Liberia	15,000	20,000	20,000							55,000	50,580	4,420
Libyan Arab Jamahiriya	100,000	200,000	200,000			100,000				600,000	500,000	100,000
Malawi							2,000	2,500		4,500	4,500	-
Mali		25,000	25,000							50,000	4,346	45,654
Mauritania	10,000									10,000	10,000	-
Mauritius	10,000	20,000								30,000	30,000	-
Morocco		500,000	500,000							1,000,000	200,000	800,000
Niger		10,000		16,529		10,000				36,529	25,956	10,573
Nigeria	1,594,896		200,000	200,000	150,000	50,000	50,000	50,000	17,407	2,312,303	2,262,303	50,000
Rwanda	15,000	15,000	15,000	15,000	15,000	15,000	15,000			105,000	75,000	30,000
Sao Tome and Principe									5,000	5,000	-	5,000
Senegal	150,000	50,000					9,000		3,000	212,000	196,560	15,440
Sierra Leone	40,000	20,000	30,000		10,000		10,000			110,000	61,306	48,694
Sudan	50,000						5,000	10,000		65,000	60,000	5,000
Togo		20,000	10,000		10,000	10,000	10,000			60,000	49,011	10,989
Tunisia				80,000						80,000	80,000	-
Uganda	10,100							17,853		27,953	27,953	-
United Republic of Tanzania	500,000	250,000	50,000			20,000				820,000	826,506	(56,506)
Zaire	156,976	87,663	250,000			50,000	50,000	50,000	8,500	653,139	595,139	58,000
Zambia	153,000	170,000	40,000	40,000			15,000		2,687	420,687	408,294	12,393

Country/ institution	1977	1979	1981	1983	1985	1987	1989	1991	New York pledges	Total pledges	Total payments	Arrears
Zimbabwe			20,000	26,040			80,000		34,458	160,498	80,498	80,000
African Development Bank		250,000								250,000	250,000	-
ECA Staff Union						40,000				40,000	40,000	-
Total	4,443,447	1,814,663	1,620,595	464,569	435,030	306,429	330,365	154,846	280,741	9,850,685	7,974,585	1,876,100

NON-AFRICAN COUNTRIES CONTRIBUTIONS TO UNTFAD
(Amounts in US dollars)

Country/ agency	1977	1979	1981	1983	1985	1987	1989	1991	New York pledges	Total pledges	Total payments	Arrears
China				51,020				57,582		108,602	51,020	57,582
Federal Republic of Germany				286,000						286,000	286,000	-
India				1,350,000	400,000					1,750,000	1,750,000	-
Brazil									5,000	5,000	5,000	-
Colombia									4,087	4,087	4,087	-
Cyprus									2,000	2,000	2,000	-
France							66,000	71,249		137,249	137,249	-
Carnegie Corporation							176,000			176,000	176,000	-
Total				1,687,020	400,000		242,000	128,831	11,087	2,468,938	2,411,356	57,582
Grand total	4,443,447	1,814,663	1,620,595	2,151,589	835,030	306,429	572,365	283,677	291,828	12,319,623	10,385,941	1,933,682

Notes

Burkina Faso's 1977 pledge is in kind in terms of infrastructure and equipment for the Remote Sensing Centre in Ouagadougou.

Ethiopia's 1989 and 1991 pledges are in kind (Birr 30,000 each).

Zambia's 1977 and 1979 pledges are in kind in terms of hosting facilities for the Lusaka MULPOC.

The following countries made promises of pledges in 1991: Guinea, the Niger, Zambia and Zimbabwe.

Annex II

LIST OF PROJECTS IMPLEMENTED DURING 1991 UNDER UNTFAD

Project no.	Total cost (in $US)	Prior years expenditure	1991 budget
Agriculture			
ATF/001/049	220,620	197,108	23,512
Industry			
ATF/001/046	249,730	192,776	56,954
ATF/002/070	163,850	-	163,850
ATF/002/061	36,160	17,798	18,362
ATF/002/072	46,823	-	46,823
Economic cooperation/MULPOC			
ATF/002/001	40,115	26,467	13,648
ATF/001/052	13,367	1,641	11,726
ATF/002/064	16,950	-	16,950
ATF/002/063	8,600	-	8,600
ATF/002/036	130,265	101,107	29,158
ATF/002/082	74,069	-	74,069
ATF/002/065	31,399	-	31,399
Natural resources			
ATF/002/081	76,388	13,956	62,432
ATF/002/069	201,140	-	201,140
ATF/001/040	56,000	43,387	12,613
ATF/002/057	44,773	35,265	9,508
ATF/002/078	47,577	27,754	19,823
ATF/001/042	70,060	33,894	36,166
Socio-economic research/planning			
ATF/002/099	361,035	171,195	189,840
ATF/002/068	20,340	-	20,340
ATF/002/080	110,000	-	110,000
ATF/002/067	32,770	-	32,770
ATF/002/062	5,650	-	5,650
ATF/002/066	7,910	-	7,910
Population			
ATF/002/077	270,665	96,665	174,000
ATF/002/078	62,150	-	62,150

Project no.	Total cost (in $US)	Prior years expenditure	1991 budget
Public administration			
ATF/002/079	100,274	50,137	50,137
Information/documentation			
ATF/001/033	56,818	-	56,818
Policy and programme/ECA			
ATF/002/056	137,181	37,098	100,083
ATF/002/083	75,000	-	75,000
Total	2,767,679	1,046,248	1,721,431

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ECONOMIC COMMISSION FOR AFRICA

Twenty-seventh session of the Commission/ eighteenth meeting of the Conference of Ministers

Addis Ababa, Ethiopia
20-24 April 1992

DECLARATION OF AFRICAN MINISTERS RESPONSIBLE FOR TRADE PREPARATORY TO UNCTAD VIII

MULUNGUSHI INTERNATIONAL CONFERENCE CENTRE LUSAKA, ZAMBIA, 19-20 SEPTEMBER 1991

We, the African Ministers responsible for Trade,

Having met in Lusaka, Zambia, on 19 and 20 September 1991, to prepare the forthcoming eighth session of the United Nations Conference on Trade and Development (UNCTAD VIII), pursuant to our decision at the eleventh session of the Conference of African Ministers of Trade;

Having reviewed global economic and political developments since UNCTAD VII, in particular their impact on African countries;

Having considered the Progress Report of the Preparatory Committee of the Group of 77, which we regard as a basis for negotiation at UNCTAD VIII;

Declare as follows:

1. The eighth session of UNCTAD will be taking place against the background of dramatic changes in economic structures and international economic and political relations which are occurring at an accelerated pace. The most important of these include the marked easing of military and political tensions between the major powers, the introduction of democratic forms of government and market-based economic systems in Central and Eastern Europe, changes in patterns of East-West relations, new international approaches to resolving regional conflicts and movement toward political pluralism.

2. The relatively steady growth in the world economy during the 1980s bypassed many developing countries, particularly those in Africa, leading to increased disparities in income and quality of life between developed and African countries. Persistent economic stagnation or decline led to depressed levels of investment and even disinvestment in developing countries, especially in Africa, denying the latter the means for social and economic development. The least developed countries experienced further marginalization.

3. The trend towards regional trading blocs among developed countries is bound to have serious implications for the expansion of developing countries' trade. African countries, which have been entirely left out of the evolving trade blocs, shall continue to work for and support efforts aimed at strengthening the multilateral trading system in order to reduce the negative consequences of these developments on their economies.

4. African countries have a strong interest in the liberalization of trade at the multilateral level. In this regard, they urge the industrialized countries to make all efforts to arrive at a successful, balanced and early conclusion of the Uruguay Round of Multilateral Trade Negotiations (MTNs). The results of the Uruguay Round should take into account the economic realities, the specific conditions and developmental requirements of African countries.

5. Major features of the international economic environment which are of critical importance for the development of African countries remained unsupportive of their efforts. These include the dramatic fall in the real prices of commodities, coupled with a decline in their market share, worsening terms of trade, the collapse in financial flows, the burden of debt and debt overhang, the rise in international interest rates until recently and the increasing protectionist and discriminatory non-tariff trade measures.

6. For African countries, sound domestic policies have little chance of succeeding without a facilitating external economic environment and supportive international actions.

7. Throughout the decade of the 1980s, Africa continued to be on the periphery of the global economy as a result of both exogenous and endogenous factors. Africa was affected by severe natural calamities, including prolonged drought and desertification, as well as by an unfavourable external economic environment typified by the collapse in the prices of commodities exported by Africa, a mounting debt and debt-service burden and reduced external financial flows. Thus Africa, with the largest number of least developed countries, saw this number increase from 26 in 1981 to 29 in 1991, with still more countries being proposed for inclusion in this category.

8. In view of the adverse effect of the debt overhang on many African countries, the international community must take new concrete actions, as a matter of urgency, to find adequate solutions to the problem. Such actions must essentially be aimed at reducing substantially both the stock and servicing of external debt.

9. The seriousness of Africa's socio-economic crisis was recognized by the international community, which adopted the United Nations Programme of Action for African Economic Recovery and Development, 1986-1990 (UN-PAAERD). The Programme was a unique framework that offered the promise of international economic cooperation and solidarity with the objective of reversing the continent's social and economic conditions. Unfortunately, the focus of international attention concentrated heavily on macro-economic reforms and the IMF/World Bank-supported structural adjustment programmes (SAPs) whose policy prescriptions were often short term in orientation and therefore incompatible with the overriding longer-term objectives of UN-PAAERD which are to lay to foundation for those durable changes necessary for the structural transformation of African economies.

10. The failure to support Africa's reform effort was reflected not only in inadequate resource flows but also in the increased wave of protectionism, despite autonomous trade liberalization measures undertaken by African countries within the framework of structural adjustment programmes.

11. African countries currently pursuing structural adjustment programmes in order to improve their financial situation and to ease the constraints on their economies firmly believe that the success of such programmes remains dependent on an improvement in the international economic environment. The industrialized countries should so adjust their economies so as to reduce their imbalances and better coordinate their budgetary and monetary policies with a view to achieving stable exchange rates and to keeping down any increases in interest and inflation rates.

12. Africa recognizes that the primary responsibility for its socio-economic development rests with its Governments and peoples, and that the effective transformation of its economies will not be possible without effective regional and subregional cooperation and integration. Africa, therefore, accords high priority to the establishment of the African Economic Community, the Treaty of which was signed by African leaders on 3 June 1991 in Abuja, Nigeria. The continent urges the international community to provide the firm support and commitment needed to assist African countries in these efforts.

13. The African countries also seize the opportunity to draw the attention of the international community to the importance they attach to the "Strategies for revitalization, recovery and growth of African trade in the 1990s and beyond". They also call the attention of the international community to the continent's position on Africa's external debt, as well as to the support that they expect the international community to provide to those African countries pursuing the approach to development outlined in the African Alternative Framework to Structural Adjustment Programmes for Socio-economic Revovery and Transformation (AAF-SAP).

14. UNCTAD VIII should, therefore, treat in an integrated and comprehensive manner the development-related issues on its agenda in order to contribute to the achievement of self-sustained development in Africa. The challenge for UNCTAD VIII, taking place at the beginning of the decade of the 1990s and against the background of the lost decade of the 1980s, will be to contribute to generating the momentum that is required to relaunch the African economies on the path of accelerated recovery and transformation.

15. The basic objectives of promoting accelerated economic development of developing countries on a multilateral basis through international cooperation which promoted the establishment of UNCTAD are as valid today as they were in 1964. UNCTAD has acquired a clear distinction and comparative advantage as a major intergovernmental forum for initiating new ideas on development, and for instituting healthy and fruitful dialogue and negotiations among countries at different levels of development based on sound analyses and decisions, as well as for technical assistance.

16. Members States of UNCTAD used the occasion of the twenty-fifth anniversary of UNCTAD in October 1989 to renew their commitment to the objectives of UNCTAD and pledged themselves individually and collectively to enhance their political support to UNCTAD and to make it more effective by adapting it to emerging changes in international cooperation in the fields of trade, growth and development, particularly of developing countries. We would like to reaffirm this commitment and further underscore the continuing validity of UNCTAD's basic mandate in the light of the rapid and dramatic changes that are taking place in international economic and political relations. We also reaffirm the validity of UNCTAD as a universal democratic forum for in-depth research and analysis on trade and development issues affecting, in particular, developing countries. The universality of its membership and its development mission makes UNCTAD a unique forum for tackling the problems of interdependence that increasingly determine the prospects of the world economy and its constituent members. We thus attach great importance to the strengthening of UNCTAD's negotiating role and the promotion of intergovernmental consensus on legally binding or other instruments, elaborating policy frameworks for concrete measures and decisions for adoption and implementation at the international and national levels.

17. There is a need to remove the dichotomy between consideration of the development aspects of trade policy issues and negotiations in the context of MTNs that treat the development dimension as alien to trade liberalization and expansion. New institutional arrangements for international trade would, therefore, have to be comprehensive in subject coverage, universal in membership, responsive to the interests of all members, particularly the developing countries, and democratic in their decision-making, with the ultimate aim of ensuring that all countries are enabled to achieve the capacity to compete in world trade.

18. Finally, we believe that the strength and validity of UNCTAD derive from the political support of and commitment to its cause by all its members. In this connection, we subscribe to the further revitalization and strengthening of the Group of 77 whose vitality we believe will contribute immensely to that of UNCTAD. We welcome, therefore, all proposals intended to achieve these twin objectives. The strength of the Group of 77 derives essentially from a shared perception of its common problems, which have always transcended its economic and political diversity. We affirm that the need to address special needs within the Group of 77 family of nations is not incompatible with the long-term mutual interests of all developing countries and indeed of the world community at large. For this reason, the Group of 77 has to work together and both remain a political instrument to articulate these common problems as well as provide solidarity for the achievement of collectively defined goals and objectives for developing countries on the basis of an agreed negotiating agenda with the developed countries.

19. The African Group in Geneva should consult among themselves to develop a common position on institutional issues, taking into account the views of other regional groups. The regional groups of the Group of 77 are invited to engage in consultations in the intervening period leading up to the seventh Ministerial Meeting of the Group of 77 with a view to arriving at a common approach on the question of institutional matters for consideration by the Ministers at their seventh session.

20. We believe that African countries can meet the development challenges of the 1990s and beyond if their own efforts are supported by those of the international community. In this regard, we feel strongly that by addressing the UNCTAD VIII agenda in a positive spirit with concrete action-oriented results, the Conference will be making an important contribution to furthering this objective. It is in this spirit, therefore, that the following policies and measures are proposed to underscore areas of particular concern to African countries on the agenda of the Conference.

I. COMMODITIES

21. During the last decade, prices of commodities of export interest to Africa have been declining and are now at their lowest levels. In real terms, the prices of tropical beverages declined by 70 per cent, those of agricultural raw materials by 30 per cent and of minerals and metals by 24 per cent in relation to the 1980s. Indications are that the tendency of falling prices will continue for a long time to come.

22. African economies have been severely affected by this situation, as Africa remains the most commodity-dependent region. The trend of a falling commodity prices, coupled with a declining world market share for African commodity exports and the increasing uncertainty of finding market outlets in the developed countries, has increased the vulnerability of African economies to events on world commodity markets over which they have little if any influence; this situation has greatly impaired their ability to finance their development efforts and to service their debts.

23. Thus, international commodity policies and measures are of great relevance to African countries. While there have been international efforts to tackle the problems of debt and protectionism, similar initiatives have not been taken in the area of commodities. Therefore, the African countries wish to bring to the attention of the international community their main objectives in the area of commodities and the international policy measures which would contribute to improvements in prices and incomes from their commodity sectors.

A. Objectives of African countries in the fields of commodities

24. Commodity sector activities should contribute towards the realization of the main objectives of Africa's socio-economic development, especially by meeting basic needs and by improving standards of living. In this perspective, African objectives are as follows:

(a) Maximization of the revenue originating from the export of commodities through active and increased participation in the activities of processing, marketing and distribution, including transportation;

(b) Stabilization of prices and revenues from commodity exports;

(c) Making production and marketing structures for commodities more efficient and competitive; and

(d) Gradual reduction of the excessive dependency of African economies on the primary export sector, especially on the export of a very limited number of primary commodities.

B. Policies and measures

25. To attain these objectives, it is necessary for the international community to implement policies and measures to ensure the stability of commodity prices at renumerative levels and of revenue from commodity exports, access to markets, access to technology, and market transparency, as well as diversification of commodity sectors.

(a) International agreements and arrangements

26. International cooperation among producers and consumers should contribute towards improvements in the functioning of commodity markets, including elimination of the reduction of speculative practices and various forms of manipulation on commodity markets which are clearly harmful to the economic and commercial interests of developing producer countries.

27. International agreements and arrangements for commodities, as foreseen in the Integrated Programme for Commodities, are still relevant and can have an important role to play in solving problems related to commodities when they are given support by all major producers and consumers. African countries call for serious negotiations between producers and consumers aimed at signing more efficient international agreements or arrangements endowed with adequate financial resources and benefiting from the effective participation of all the major producers and consumers. In this regard, urgent attention should be paid to the cases of coffee and cocoa, where international agreements are currently under renegotiation. Furthermore, other international commodity agreements which are due to expire in the near future should be improved and strengthened during renegotiations. To ensure the effectiveness of commodity agreements, all States parties to the agreements should translate their avowed political goodwill into concrete action by honoring their contractual obligations.

28. For the commodities not yet covered by international agreements or arrangements, consultations between producers and consumers should continue, under UNCTAD's auspices, with a view to finding appropriate solutions to the identified problems. When the interested producer and consumer countries so desire, negotiations of international agreements or arrangements should be envisaged.

29. Finally, it is important for the deliberations of the Intergovernmental Group of Experts on Restrictive Business Practices (RBPs) and those of the United Nations Centre on Transnational Corporations to examine closely the practices and behaviour of transnational corporations dealing in commodity markets with a view to ensuring that such practices are not to the disadvantage of developing countries.

(b) Cooperation among producers

30. In order to cope efficiently with the current situation of surplus supply for most commodities, it is necessary to establish more effective cooperation among the developing country commodity producers aimed at:

(a) Redynamizing commodity agreements and arrangements through harmonization of production and diversification policies, coordinated supply management and other concerted actions;

(b) Setting up information systems accessible to and easily exploitable by all producer countries on production, investments and exports;

(c) Carrying out joint actions aimed at increasing demand for products; and

(d) Fostering the transfer of technology among producer countries.

(c) The Common Fund for Commodities

31. African countries reiterate the necessity of bringing into operation the first account of the Common Fund to support the stabilization of commodity prices through international commodity agreements.

32. State members of international commodity bodies, as well as intergovernmental groups designated as international commodity bodies by the Common Fund, should coordinate and speed up their efforts to elaborate research and development projects to be submitted to the second account of the Common Fund, giving special priority to projects which are designed to benefit least developed countries.

33. African countries call upon States members of the Common Fund which have not yet paid in their contributions to the Common Fund and those which have yet to make good on their pledges of voluntary contributions to the second account to do so urgently. States members of the Common Fund should strengthen the secretariat of the Common Fund to enable it to carry out its tasks. They should also assist in promoting the use of the Fund to support the development and diversification of the commodity sectors of developing countries.

(d) Diversification, processing, marketing and distribution, including transportation

34. In order to profit fully from the possibilities for adding value to their commodities, developing producing countries, especially those in Africa, should do everything they can to promote their increased participation in the processing, marketing and distribution of these products. In order to assist these efforts, the international community should commit itself to giving meaningful support, especially in the form of additional financial resources, technical assistance, and access to market information and to technology. It is also important that developed countries commit themselves to increasing direct foreign investment and to facilitating access to markets.

35. The international community, especially the donor countries and the multilateral financial institutions, should further commit themselves to creating a special fund for African countries to assist in the realization of their projects and programmes of horizontal and vertical diversification.

(e) Compensatory financing

36. Given that African countries have been experiencing large recurrent shortfalls in their export earnings from commodities, existing compensatory financing mechanisms, namely the IMF-CCFF, the ACP-EEC STABEX facility and the compensatory financing programme of Switzerland, should be improved in order to relieve the chronic insufficiency of finance to meet these shortfalls. Measures to be adopted in this field should lead to the establishment of a universal commodity-related compensatory financing system covering all countries and all commodities. Further, African countries urge the establishment of an additional facility that would provide long-term commodity-specific finance directed at tackling the root causes of shortfalls in earnings from individual commodities and at enhancing processing and diversification in the commodity sector.

(f) Market access

37. The success of any national policy measures with regard to commodities, especially those concerning vertical diversification, largely depends on the access of the exporting countries to the markets of industrialized countries. Consequently, and without prejudice to the already existing preferences accorded to African countries, trade negotiations should lead to a total dismantling of all forms of barriers which restrict the access of developing country commodity products in primary and processed forms to developed countries' markets.

II. RESOURCES FOR DEVELOPMENT

38. After a decade, the debt crisis in Africa is far from being resolved. In addition, net resource flows to the continent have stagnated in real terms in spite of intensified efforts by African countries to implement adjustment programmes. African countries are also concerned by the persistence of net negative transfers of resources to them, especially during a period of an increasing shortage of international savings and rising demand for external finance due notably to the economic restructuring in Central and Eastern Europe. Therefore, UNCTAD VIII should provide for a decisive resolution of the external debt crisis of African countries through the adoption of far-reaching measures designed to achieve large-scale debt and debt-service reduction for all African countries and the resumption of net positive external capital flows to them.

A. Policies and measures to enhance the revitalization of the economies of African countries

(a) The debt crisis

39. With regard to debt owed to official bilateral creditors:

(a) The industrialized countries should cancel all official bilateral debt (both concessional and non-concessional) of low-income African countries, including both Paris Club debt and debt owed to other developed countries;

(b) Bilateral debt cancellation measures should, where appropriate, concern the totality of the stock of such debt, and not only the stock existing before the cut-off date;

(c) Creditors should ensure that debt cancellation is additional to ongoing and future aid programmes;

(d) Paris Club creditors should urgently implement substantial debt reduction for middle-income African countries. In this regard, the initiative taken by the Paris Club in favour of certain middle-income countries was a positive step. Paris Club creditors should implement similar initiatives in favour of heavily indebted African countries. The remaining stock of debt should be rescheduled on concessional terms and with multi-year rescheduling agreements;

(e) In future Paris Club creditors should consider extending to African countries concessional debt relief measures similar to those which may be provided by them to Eastern European Countries.

40. With regard to debt owed to multilateral financial institutions:

(a) There should be urgent provision of adequate financial assistance to African countries making serious efforts to cope with overdue obligations to multilateral financial institutions, in order

to help clear arrears and finance the implementation of structural adjustment programmes through a cooperative approach; and

(b) A relationship should be established, as appropriate, between the amount of debt service and the growth of GNP, the evolution of commodity prices, government revenues and export earnings or other relevant indicators of the economic situation of indebted African countries, thus adjusting debt service to the real payment capacity of each African debtor country.

41. In the case of debt owed to commercial banks:

(a) African countries call upon creditors to seriously consider new and bolder initiatives, for instance the establishment of an international debt facility;

(b) Additional resources should be provided to reduce the commercial bank debt of African countries, through inter alia, implementation of debt buy-back and debt conversion schemes. Debt reduction options should be compatible with secondary market prices of developing countries debt; and

(c) The negotiation process between debtor countries and commercial banks should be anchored on authoritative estimates of the country's debt reduction and cash flow needs.

42. As a means to ensure the expeditious implementation and review of these measures to resolve Africa's debt crisis, an international conference on Africa's debt problems is urgently called for.

(b) The flow of financial resources to African countries

43. Donor countries should redouble their efforts to increase concessional resources to African countries in order to enable the African region to finance adjustment and development efforts. A doubling of ODA to African countries is urgently required. Such flows should be placed on a stable, assured and predictable basis.

44. The process of structural adjustment in African countries needs to be adequately supported and funded for the impact of growth and development to be positive and sustainable, and to minimize negative impacts on the poorer sectors of society, on social infrastructure and on Africa's efforts to develop its human capital. This requires a substantial increase in the resources available for this purpose from bilateral and multilateral sources. In addition, it is important to ensure that associated macro-economic and structural policy conditions take due account of the specificity of Africa's economic needs and conditions.

45. African countries call upon the developed countries to implement as a matter of urgency necessary adjustment measures to bring about the early resumption of sustained non-inflationary growth and the reduction of external and fiscal imbalances as indispensable measures to promote a healthy and open world economy.

46. African countries call upon developed countries to improve the conditions of market access for products from developing countries and also help to strengthen world commodity markets in order to bring about an improvement in terms of trade of African countries. Substantially increased export earnings by African countries would eventually reduce their need for external financial assistance.

47. The provision of additional resources to African countries is a matter of top priority. Steps should be taken to increase the resources of the World Bank's Special Programme of Assistance for

debt-distressed low-income countries. Similarly, financial flows under the Structural Adjustment Facility (SAF) and the Enhanced Structural Adjustment Facility (ESAF) should provide medium-term concessional loans to low-income African countries. Furthermore, the multilateral financial institutions (MFIs) should be provided with adequate resources to support Africa's long-term development.

48. African countries call upon the international community to put in place the necessary mechanisms to prevent and reverse the occurrence of net negative transfers of resources to African countries. This appeal is addressed to both developed countries and the MFIs. Achieving a net positive transfer on a stable long-term basis should be considered a moral obligation.

49. Countries should refrain from adopting macroeconomic policies which encourage capital flight from African countries.

50. African countries should continue to pursue measures to enhance their investment climate, particularly as regards inflows of foreign direct investment and other non-debt-creating financial flows. These efforts would need to be supported by innovative incentives and promotional measures by home countries and the World Bank Group (International Finance Corporation and the Multilateral Investment Guarantee Agency).

51. There are indications of a diversion of aid from developing countries, especially African countries, towards the countries of Central and Eastern Europe. Legitimate efforts to provide financial assistance to the countries of Central and Eastern Europe should not be at the expense of African countries. Commitments made by OECD countries in this respect should be honoured.

52. Multilateral financial and development institutions are urged to provide additional financial resources to African countries in order to make up for the decline of ODA from countries of Central and Eastern Europe.

53. The financing of environmental protection is also a matter of priority for African countries - especially in view of the interrelationship between the environment, poverty alleviation, growth and development. The international community must ensure that financing in this area is truly additional, and not at the expense of regular development activities. New funds, including market-related transfers, for global and domestic environmental problems are essential.

54. Developed countries have a special responsibility to reduce military expenditures. A substantial part of these reductions should be channelled to African countries for investment in social and economic development. African countries too should reduce their military expenditures, taking into account the specific conditions of each country, and improve their allocation of resources in favour of social and economic development.

55. The international community is called upon to assist African countries in their efforts to enhance the mobilization of domestic resources.

(c) Human resources development

56. The above-mentioned measures are inextricably linked to strengthening Africa's capacity to develop its own capital resources, be it human, environmental or other natural resources. With the adoption of human-centred development and the safeguarding of environmental quality for future generations, developed countries have a special responsibility to provide resources for strengthening Africa's capacity to develop and sustain the quality of its human resources.

III. INTERNATIONAL TRADE

57. African countries note with concern that, in spite of the fact that an increasing number of African countries have implemented major structural adjustment programmes, including liberalization of external trade regimes, these programmes have not been accompanied by the dismantling of protectionism in the industrialized countries.

58. They note that there is no universal prescription regarding successful trade and industrialization policies. Individual countries should be allowed to gear their trade policies to their level of industrialization and their development objectives according to their needs, level of development and particular circumstances. Within such a framework, trade policy reform may be necessary.

59. They stress that, given the low level of economic and social development of African countries, as well as their trade needs, a sustainable international trading system which is fair and equitable should give concrete expression to the concept of differential and more favourable treatment to African countries. This can be achieved through various measures that include, inter alia, improved access to the markets of developed countries for products of interest to African countries, in particular preferential access so as to compensate them for the erosion of existing preferences; and commitment by developed countries members of regional trading blocs to guarantee market access to African exports.

60. With regard to the Uruguay Round, African countries urge industrialized countries to facilitate an early and favourable conclusion of the Multilateral Trade Negotiations, which could make a positive contribution to the resolution of the debt problems of African countries.

61. In this regard African countries further stress the following:

(a) Balanced results in the Uruguay Round negotiations should ensure, inter alia, fullest liberalization of trade in tropical products and natural-resource-based products, taking into account the interests of African countries. In addition, African countries should be given credit and due recognition for autonomous trade liberalization measures already undertaken and moreover should not be required to make concessions that are inconsistent with their trade, financial and developmental needs;

(b) Ways and means should be developed to offset the loss of trade benefits to African countries due to the erosion of their preferential margins in the Uruguay Round;

(c) The rights available to developing countries under Article XVIII, especially section B, of GATT (balance-of-payments problems) should be safeguarded. African countries are most vulnerable to balance-of-payments difficulties and would need maximum flexibility in invoking this article;

(d) Results in agriculture should provide more favourable treatment to enable African countries to continue their programmes to encourage agricultural development, while obtaining preferential access to world markets in general and to certain markets in particular for specific products subject to trade agreements. Measures should be adopted to offset the burden arising from increases in food prices on net food-importing countries;

(e) African countries, as small suppliers in trade in textiles and clothing, should be granted unrestricted access to the markets of developed countries during the transitional phase-out

period of the MFA, in addition to exemptions from any action taken under transitional safeguard arrangements;

(f) African countries will not agree with any approach to the outcome of the Uruguay Round negotiations that would try to impose a "single undertaking", the implication of which would be to create cross-sectoral linkages that would upset the balance between future GATT rights and obligations in favour of major trading nations.

62. Appreciation is expressed to UNCTAD for its technical assistance to African countries in the MTNs, and the need for such assistance to be continued and strengthened, including for the implementation of the results of the Uruguay Round, was stressed.

63. While a liberal and multilateral trading system with strengthened rules and disciplines is in the interest of all countries, the special economic situation and needs of African countries, particularly the LDCs, should be taken into account. Accordingly, the principles of multilateralism and free trade should not be allowed to undermine benefits already acquired by African countries from schemes implemented by developed countries in their favour.

64. As a means to combat protectionism, member States of UNCTAD, particularly developed countries, and their regional groupings having competence in the area of trade policy, should establish independent transparent mechanisms for evaluating protectionist measures and their implications for the domestic economy as a whole and effects on the export interests of developing countries, particularly African countries. In this connection:

(a) UNCTAD should arrange for the participation, as appropriate, of officials handling existing national mechanisms in the work of the Trade and Development Board within the framework of annual reviews on protectionism and structural adjustment, with a view to facilitating their interaction with governmental representatives and enhancing the adoption of concerted policies in the fight against protectionism;

(b) UNCTAD should evolve, on the basis of experiences in this area, features for transparent mechanisms, with a view to facilitating the establishment of such mechanisms by member States;

(c) UNCTAD should provide technical assistance to interested countries in connection with the establishment of transparent mechanisms.

65. African countries emphasize that trade policy measures by developed countries for environmental purposes should not be used as a vehicle for introducing discriminatory and disguised barriers to African countries' trade.

66. They reaffirm that the generalized system of preferences (GSP) is a positive element in the trade relations of African countries with developed countries and call for improvements in the system, including, inter alia, an increase in preferential margins, expansion of product coverage so as to include products of export interest to Africa, improved rules of origin criteria and increased technical assistance to allow African countries to fully benefit from the system. In this context, the GSP should be extended to cover applicable barriers affecting their trade in goods and services with developed countries.

67. They feel that appropriate way and means should be developed, including through host-country investment measures, to ensure that transnational corporations contribute to capacity building in host African countries through, inter alia, transfer of technology, training, creation and development of infrastructures, and formation of managerial capabilities.

68. Among the developing countries in Africa, 15 are land-locked. This geographical handicap impairs their capacity to engage in, and benefit from, international trade. Improvement of transit facilities, in particular, transport and communications, both in transit and land-locked countries, is vital for the expansion and development of the foreign trade sector of these countries. Land-locked countries and their transit neighbours are already making concerted efforts to improve transit infrastructure and to reduce the cost of transit for land-locked developing countries. However, their efforts alone are not sufficient. These countries should be assisted by the international community through financial and technical assistance. In this connection, it was noted that UNCTAD is already providing assistance to all land-locked and transit countries through its three subregional transit transport projects in East/Central, Southern and West/Central Africa. African countries stress the need for UNCTAD to continue and further strengthen its technical cooperation programme in the area of transit transport facilitation.

A. Restrictive business practices

69. The existing institutional arrangement for international trade does not adequately provide for measures to control the restrictive business practices of enterprises. The Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices has been unable to eliminate or even effectively control RBPs in the 10 years since it was adopted. With the relative reduction in government-imposed trade barriers, there has been a relative increase in the incidence of RBPs.

70. The globalization of international commerce and the increasing technological and knowledge-intensive character of production, distribution and marketing have been accompanied by the creation of monopolies and oligopolies through mergers, takeovers and strategic alliances between large enterprises, often with the tacit understanding of some Governments involved.

71. The dominant position of TNCs in almost every African economy as suppliers, manufacturers, buyers and sellers of goods and services, as well as their dominance in international transactions, makes the African countries extremely vulnerable to the adverse effects of the anti-competitive practices of these firms. Accordingly:

(a) African countries urge particularly the developed countries to adopt and implement domestic legislation on competition policy/restrictive business practices to ensure that the trade and development of developing countries are not hampered by RBPs of enterprises;

(b) African countries call for the adoption of a comprehensive and development-oriented institutional framework which should include legally enforceable multilaterally agreed principles and rules for the prevention and control of anti-competitive and restrictive business practices in international trade; and

(c) African countries appreciate the importance of technical assistance for developing appropriate legislation at the domestic level for the control of RBPs and call for increased bilateral and multilateral support for UNCTAD's technical assistance activities in this field.

B. Trade between developing countries and countries of Central and Eastern Europe

72. East-South trade has represented only a modest part of the developing countries' global exchanges, especially those of the African continent, except for a few countries. There is a need to follow closely developments in economies of Central and Eastern Europe and to analyze the impact of developments in East-West relations on the growth of the world economy, especially on the developing countries' economic growth and development prospects, as well as on international economic cooperation. Such analyses should focus on:

(a) Developments in East-West relations involving innovative multilateral cooperative efforts to reallocate financial, technical and human resources until now utilized for military purposes for economic development;

(b) The likely impact of diversion of financial resources and trading advantages accorded to developing countries for the benefit of Central and Eastern European countries; and

(c) African countries which have been receiving aid from the former socialist bloc and whose economic and social situation has been severely affected by the abrupt stoppage of such aid should receive offsetting aid flows.

73. UNCTAD should:

(a) Undertake an in-depth study with regard to the countries of Central and Eastern Europe aimed at identifying new opportunities for international cooperation that may have emerged from the ongoing process of reforms in the East as well as in the South;

(b) Organize workshops and seminars for the exchange of experience gained through the reforms undertaken in the Eastern and Central European countries and developing countries; and

(c) Provide technical assistance for identifying new opportunities in the markets of Eastern and Central Europe for the developing countries' exports.

IV. TECHNOLOGY TRANSFER AND DEVELOPMENT

74. African countries view with concern the decline in technology flows to Africa, which has been far greater than that suffered by any other region of the developing world since the early 1980s.

75. They note that inadequate levels of accumulated technological capabilities limit African countries' ability to adjust to changes in patterns of supply and demand on world markets. Furthermore, rapid technological changes are widening the technological gap faced by African countries and diminishing their comparative advantage in traditional export products.

76. In view of the low level of their technological base, African countries need to adapt existing technologies to cater for their basic needs in areas such as agriculture and agro-based industries, health care, textile and clothing, construction, telecommunications, transportation and distribution with a view to strengthening their productive and export capacity. In this context, African countries recommend the establishment of cooperative arrangements and joint ventures between developed and developing countries, particularly African countries, in R and D activities through, inter alia, innovation centres and laboratories in developing countries.

77. They recommend that technical and financial support be provided to African countries for indigenous technological capacity-building, including infrastructure and human resources development. In this context, particular emphasis should be given to training personnel from African countries in enterprises and R and D institutions in developed countries, as well as in more advanced developing and African countries.

78. African countries express their strong concern about multilateral and unilateral attempts to use intellectual property rights systems (IPRS) to create further constraints on access to and transfer of technology, particularly new technologies, to developing countries. Any new regime of IPRS should take into account the development concerns of developing countries and the need to facilitate access to foreign technology.

79. They expressed their deep concern over the restrictions imposed by some developed countries on the transfer of advanced technologies to African countries for political reasons.

80. They reaffirm their conviction that there is, at present, more than ever before, a pressing need for a global framework of rules and principles aimed at promoting the access to, diffusion and transfer of technology on fair and equitable terms and conditions, at both the intergovernmental and the inter-enterprise levels. Therefore, African countries call for the early resumption of the negotiations on an international code of conduct on the transfer of technology and their successful completion as soon as possible.

81. They urge that support be given to African countries in their efforts to create and develop the skill and knowledge base necessary for the acquisition, adaptation and generation of environmentally sound technologies, and in this context, also recommend that an international mechanism be established for the dissemination of information on existing environmentally sound technologies.

82. African countries express their concern over the negative impact of reverse transfer of technology on their technological and developmental prospects. Accordingly, they call upon developed countries and international organizations to strengthen and further support the programmes aimed at sponsoring short-term visits or, where appropriate, permanent return of experts of African origin who are currently working in firms and institutions of the developed countries. These programmes would help developing countries, particularly African countries, in their efforts to further develop their indigenous technological base.

83. African countries recognize the growing role of technology and trade-related information networks in facilitating international technology and trade transactions and the need to ensure that all countries, particularly African countries, benefit from these networks. Accordingly, they recommend that UNCTAD become a focal point for establishing an information network for technology, trade and development.

84. They express their appreciation for the technical assistance provided by the Advisory Service on Transfer of Technology (ASTT) of UNCTAD and call upon Governments and financial development institutions, in particular UNDP, to increase their financial support to the ASTT, in order to enable it to provide effectively the necessary assistance in the technology field.

V. SERVICES

85. African countries underline the crucial role of services in their development process. However, they note the underdevelopment of this sector in their economies, which militates against its making a full contribution to their social and economic development. In this context they stress

that liberalization of trade in services should take into account the need to develop and further strengthen the domestic service sector capacity of African countries. TNCs which are suppliers of services should contribute to the creation of infrastructures for the development of domestic services, including the development of institutional infrastructure, granting of access to technology and strengthening of the export capabilities of host African countries.

86. They also underline the relationship between liberalization of trade in services and sovereignty, cultural identity and national security, as well as its development dimension, particularly in so far as such trade supports other sectors of the economy, including trade in goods, and as it relates to the basic needs of the African population.

87. Special, differential and more favourable treatment should be extended to African countries in the liberalization of trade in services. These countries should not be required to make commitments that run contrary to their developmental objectives and needs.

88. In view of the low level of development of their service sectors, African countries' participation in trade in services is quite limited. Given this situation, African countries should not be required to undertake initial commitments as a precondition to participating in an eventual agreement on trade in services.

89. As the services sector in African countries lacks adequate financial resources, there is a need for assistance on concessional terms by multilateral organizations and bilateral donors to help them develop basic services infrastructures, including sub-regional and regional transportation (roads, railways, air and maritime services, etc.), with a view to enhancing intra-African trade, as well as the export capacity of African countries in the services sector.

90. UNCTAD is urged to continue its research and policy analysis on development and trends in services and identify problems facing African countries' participation in trade in services, as well as assisting them in assessing the role of services in their economies and in designing strategies to strengthen their domestic services sector.

91. With regard to maritime transport services, African countries stress the following:

(a) The need to ensure that developing countries' shipping lines are able to participate on an equitable basis in markets dominated by powerful international shipping companies;

(b) The need to support efforts to increase the capacity of African shipping lines in order for them to take full advantage of the cargo generated by their seaborne trade;

(c) The need for UNCTAD and other international organizations to provide technical and financial assistance for the implementation of the second United Nations Transport and Communications Decade in Africa, especially in the field of maritime transport, such as establishment of joint ventures in shipping services, shipbuilding and repair services, harmonization of national shipping policies, documentation and procedures to facilitate maritime trade, aids to navigation and shipping communications, manpower development in the field of shipping services, as well as ports and multimodal transport;

(d) The need for the international community and donor agencies to continue to support intra-African cooperation in maritime transport;

(e) That assistance should be provided to developing countries in establishing bilateral and multilateral agreements between land-locked and coastal countries to facilitate the implementation of the provisions of the Code of Conduct for Liner Conferences and other shipping agreements; and

(f) In view of the importance of information technology in the transport sector, and given the initial benefits that UNCTAD's Advance Cargo Information System (ACIS) has generated in those countries that have adopted it, the system should be incorporated into the regular work programme of UNCTAD and expanded to cover all African and other developing countries. African countries are convinced that the System is consistent with and promotes the objectives of the Lagos Plan of Action, the second United Nations Transport and Communication Decade in Africa and the Treaty establishing the African Economic Community.

VI. SUSTAINABLE DEVELOPMENT

92. A close interrelationship exists between poverty and environmental degradation. Achieving sustained growth and sustainable development in developing countries will require a fundamental change in the unsustainable patterns of production and consumption, particularly in industrialized countries. Nevertheless, all countries must take effective measures for the protection, restoration and enhancement of the environment in accordance with their respective capabilities.

A. Policies and measures to promote sustainable growth and development of African countries

93. African countries reaffirm that poverty reduction is the overriding priority of sustainable development.

94. African countries call upon developed countries to ensure that resource flows for global and domestic environmental protection are new and additional to current ODA flows and development commitments, and are provided as grants and on concessional terms. Such flows must be put on a stable, reliable and predictable basis.

95 Developed countries must speed up the transfer of new and environmentally sound technologies to African countries to enable them to improve the quality of growth and enhance their development prospects. Developed countries should provide open and continuous access to environmentally sound technologies on preferential and non-commercial terms.

96. Creditor countries and multilateral financial institutions should cooperate with African countries in the implementation of debt-conversion schemes for the protection of the environment. Such schemes could include the conservation of Africa's rain forests, reafforestation programmes, control of desertification, the protection of fresh-water resources, control of the dumping of toxic and hazardous industrial and other wastes in oceans and water bodies surrounding Africa, as well as the cleaning up of the Mediterranean and Red Seas and the protection of their fauna and flora.

97. African countries call upon developed countries to assist in efforts to increase the competitiveness and demand for natural products, including Africa's commodity exports, vis-à-vis synthetics and substitutes.

98. The situation of the least developed countries deserves special attention. The twin problems of LDCs' pervasive poverty and environmental degradation must be tackled simultaneously to provide a basis for long-term sustained growth and sustainable development. The international community is called upon to provide the LDCs with new, additional and adequate resources as

grants and on concessional terms to enable them to incorporate environmental dimensions into their development objectives and policies.

99. African countries call upon the international community to strengthen the role of UNCTAD in the field of sustainable development. This would imply the continued pursuit of analytical work which contributes to innovative thinking in all aspects of UNCTAD's mandate, including the integration of sustainable development into the concept of interdependence.

100. African countries call upon the Secretary-General of UNCTAD:

(a) To examine the role that economic instruments such as environmental taxes and tradeable permits could play in enhancing global and domestic environmental protection, bearing in mind the interests of developing countries, particularly African countries;

(b) To study the outcome of UNCED and related environmental considerations in relation to trade, industrialization policies and sustainable development of developing countries and to analyze (i) possible changes in the pattern of production, trade and technological changes in developed countries and their impact on developing countries; and (ii) the impact of developed countries' environmental policies on trade and development of developing countries, particularly African countries;

(c) To work towards evolving a conceptual framework for establishing the link between the removal of trade barriers on goods and services (including access to technology and to labour markets across countries) and the enhancement of sustainable development of developing countries;

(d) To study the possibilities of integrating sustainable development into the concept of price formation, especially the determination of remunerative prices for commodity and manufactured exports from developing countries; and

(e) To provide technical assistance to African countries in the above-mentioned areas.

VII. THE LEAST DEVELOPED COUNTRIES (LDCs)

101. African countries call upon the international community to implement fully and expeditiously the Programme of Action for the LDCs for the 1990s adopted by the United Nations Conference on LDCs held in Paris in September 1990.

102. They urge the developed countries to provide adequate support to complement domestic efforts and policies of LDCs within the framework of the Programme of Action. In this respect, the developed countries are called upon to:

(a) Implement their commitments to provide the LDCs with a significant and substantial increase in the level of highly concessional and non-debt-creating external financial resources. Towards this end, donor countries should redouble their efforts to reach their ODA targets established in the Programme of Action;

(b) Reduce the debt stock and debt-servicing burden of the LDCs, including debt due to multilateral financial institutions. For this purpose:

(i) all donors which have not yet implemented debt-relief programmes should, as a matter of urgency, take steps to cancel or provide equivalent relief on all LDCs' ODA debt;

(ii) the creditors should agree to cancellation of all LDCs' bilateral official debt, including the non-concessional part of this debt; and

(iii) appropriate measures should be taken to alleviate the multilateral debt of LDCs, and new multilateral financing should be on concessional terms only; and

(iv) additional resources should be provided to reduce LDCs' commercial debt through, inter alia, implementation of debt buy-back and conversion schemes.

103. As external trade is seen in the Programme of Action as a vehicle for net resource flows to LDCs, the Uruguay Round of Multilateral Trade Negotiations should result in substantially improved market access for exports of LDCs. In this connection, African countries call upon the international community to implement measures contained in the Programme of Action, in particular:

(a) Advanced implementation of MTN concessions of particular interest to LDCs made by the contracting parties to the GATT;

(b) Enhanced access for products of LDCs through the elimination of tariff and non-tariff barriers;

(c) The fullest possible liberalization of trade in textiles negotiated in the Uruguay Round;

(d) GSP schemes should be improved by increasing the range of products covered or the tariff concession, applying flexible rules of origin, special terms of exemptions from quotas on ceilings, and greater long-term stability and predictability in the management of GSP schemes; and

(e) Developed countries are strongly urged to take steps to simplify procedures and help LDCs take full advantage of the GSP schemes.

104. The twin problems of the LDCs' pervasive poverty and environmental degradation have to be tackled simultaneously to provide a basis for long-term sustained growth and sustainable development. African countries call upon the United Nations Conference on Environment and Development to provide for measures to enable the LDCs to pursue their efforts to incorporate environmental dimensions into their development objectives and policies. In order to fully benefit from such measures, the LDCs would require financial and technical support to strengthen their human, institutional and technological capacities.

105. African countries call for urgent and sustained implementation by the international community of the measures outlined in paragraph 105 of the Programme of Action for the LDCs for the 1990s in order to assist them to overcome their technological backwardness and improve scientific skills and R and D capabilities for acquiring, adapting and absorbing modern technology.

106. They also stress that the results in the TRIPSs negotiations in the Uruguay Round should not further constrain technological capacity building, particularly with regard to access to technology by the LDCs. They therefore urge the exemption of the LDCs from any additional obligations beyond those already undertaken in existing intellectual property conventions in order to provide them with adequate flexibility in meeting the immense challenge they face in their efforts for technological transformation.

107. As was stressed in the Programme of Action for the LDCs for the 1990s, the international community should intensify its support for LDCs' efforts towards diversification, increased processing and increased participation in the marketing of their products by providing adequate financial and technical assistance. African countries call upon the IMF to facilitate LDC access to the resources of its CCFF on concessional terms. They request the EEC and Switzerland to increase the resources of their compensatory programmes and other developed countries to establish similar programmes.

108. The General Assembly decided that regular monitoring of the progress on the Programme of Action should be taken at three levels, namely national, regional and global, and that the Trade and Development Board of UNCTAD should consider annually the review of progress at the global level. Country review mechanisms such as UNDP round-tables and World Bank consultative groups would continue to constitute the backbone of the country review process. In this connection, African countries stress the need for:

(a) Organizing country review meetings on a more systematic and regular basis;

(b) Assisting LDCs in strengthening their capacity to ensure their leadership role in the country review process;

(c) Establishing strong links between the follow-up at the national and the global levels;

(d) The Trade and Development Board to take corrective measures, when necessary, to ensure the realization of the objectives of the Programme of Action.

VIII. ECONOMIC COOPERATION AMONG DEVELOPING COUNTRIES (ECDC)

109. African countries reaffirm the importance of ECDC and the need to intensify efforts to revitalize and strengthen existing mechanisms of economic and technical cooperation among developing countries at the subregional, regional and interregional levels with a view to increasing developing countries' capacity to produce, achieve economies of scale and become competitive in world markets. They strongly believe that concrete efforts to intensify interregional cooperation are essential for this process.

110. Subregional groupings and integration schemes represent milestones for strengthening economic cooperation among developing countries, particularly African ones. They therefore underline the important contribution of the GSTP in this process as a means of facilitating and expanding trade among developing countries and call for the early launching of the Second Round of GSTP negotiations.

111. African countries invite the industrialized countries to support actively the implementation of projects of cooperation among developing countries, and call upon the UNDP to contribute to the elaboration of those projects. The international community, particularly developed countries and multilateral financial institutions, are urged to support subregional and regional economic and technical cooperation efforts in Africa.

Decision of the ministerial meeting

The African Ministerial Meeting decides to authorize the African Group in Geneva, in the context of the preparatory work of the Group of 77, to consult with the two other regional groups (Asia and Latin America) with a view to harmonizing the three regional texts in order to advance the work of the seventh Ministerial Meeting of the Group of 77, and to report the outcome of the consultations to African Ministers of Trade during the seventh Ministerial Meeting of the Group of 77.